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Herald Tribune



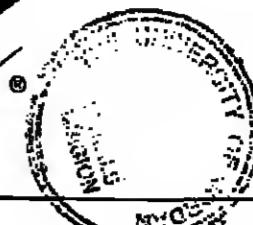
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Europeans Attempt A 'Convincing' Rate Cut Central Bank Strives to Lift Economies

By John Schmid
International Herald Tribune

FRANKFURT — The European Central Bank Thursday aggressively lowered interest rates for the Continent's 11-nation single-currency bloc, citing an economic slowdown, slumping confidence and weak job creation.

"I wanted the move to be as convincing as possible," ECB President Wim Duisenberg said after the bank's governing board voted to cut its entire panoply of lending rates.

The ECB reduced its benchmark money market rate to 2.5 percent from 3 percent, more deeply than many economists had expected. Simultaneously it reduced its other two official rates that create a corridor for euro-hedging overnight bank lending, dropping the upper-end marginal lending rate by a full percentage point to 3.5 percent and its lower-end deposit facility by a half-point to 1.5 percent.

The Dollar

New York	Thursday 4 P.M.	previous close
Euro	1.0743	1.0783
Pound	1.6055	1.596
Yen	121.15	121.375
DM	1.8207	1.8148
FF	6.1082	6.0864

Dollars per pound and per euro

The Dow

↑ Thursday close	percent change
+112.39	+1.1%
S&P 500	
+17.11	+1.2%
Nasdaq	
+28.96	+1.14%

The deep easing in the terms of credit was intended to lubricate Europe's sluggish economies while shielding the ECB from its many political critics who have denounced the three-month-old bank for its previous inaction on interest rates. The action Thursday was the first interest-rate move since Europe's common currency, the euro, was introduced Jan. 1.

But the move failed to give the currency a lift against the dollar Thursday, as the euro lost gains registered early in the day. In late trading in New York, the euro was quoted at \$1.0743, down from \$1.0783 on Wednesday.

Mr. Duisenberg bluntly served notice that the credit easing Thursday would be the last in the current economic cycle, expressly shifting responsibility for the Continent's high unemployment to Europe's political leaders.

The unacceptable high rate of unemployment is due to structural factors and inefficiencies in markets for labor and markets for goods, he said.

Highlighting Europe's overall slowdown, Britain separately cut rates Thursday in hope of providing support to that country's nascent economic recovery. (Page 15)

Now that the ECB has said it has done all it can, Mr. Duisenberg pressed governments to undertake painful structural deregulation and tax measures to unleash new activity. By cutting rates, the central banker said he wanted to dislodge the politicians who had blamed unemployment on central banks, saying it would now be more clear than ever that monetary policy could not compensate for

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Zhu and Clinton Meeting Yields No WTO Accord

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton warmly welcomed Prime Minister Zhu Rongji of China to Washington on Thursday, but the leaders failed to reach agreement on terms for China to join the World Trade Organization and, a U.S. official said, debated at length the NATO assault on Yugoslavia.

Mr. Clinton said that the two had made "significant progress" on reaching a framework accord on WTO, aimed at lowering a wide range of Chinese obstacles to trade. He added, "We are not quite there yet."

"In my view," Mr. Zhu said, "the gap is not very significant."

The two sides issued a joint statement committing themselves to resolve all remaining issues this year, in time for a November meeting of the 134-nation free-trading group in Seattle.

A new round of global trade liberalization talks are to begin late this year. If China fails to gain WTO membership by then, it would be excluded from the negotiations and its entry might be delayed for years.

In addition to trade, Clinton said that he and Zhu had spoken "directly and openly" on issues including the stability of the Korean Peninsula, nuclear competition between India and Pakistan, and weapons nonproliferation.

While the president said he had "no illusions" of settling all differences, it was "in the interest of the American people and the Chinese people that whenever we can cooperate, we should."

Mr. Zhu, too, played down bilateral differences, saying that sometimes it is the "nations that are able to say no to you" that "are the best friends to you."

With a mixture of candor and humor that brought frequent laughs from American and Chinese reporters, he said he had been "really reluctant to come" to America because "political sentiment in the United States is so anti-China." But he said he had been warmly received.

The outcome of the trade negotiations between the world's largest economy

and its largest potential market will carry crucial weight for China's aspirations, though Beijing also needs to reach agreements with other major trade partners, including the European Union.

Mr. Clinton and Mr. Zhu also differed markedly on the NATO air campaign in Yugoslavia, a U.S. official said. Beijing, which bridles when it's handling of Tibet and its hopes for reunification with Taiwan are criticized, opposes the alliance campaign as interference in the internal affairs of Yugoslavia.

"America has a stake in China's success," Mr. Clinton said earlier at a White House welcoming ceremony, during which Mr. Zhu was greeted with full military honors.

Both leaders frankly acknowledged the deep array of differences separating them but said their shared interests were of greater importance.

Disputes over human rights, Taiwan

See SUMMIT, Page 3



Mr. Clinton and Mr. Zhu during arrival ceremonies on Thursday.

Newstand Prices

Andorra	10.00 FF Lebanon	11.3000
Anguilla	12.50 FF Morocco	16 Dh
Cameroon	1.600 CFA Qatar	10.00 QR
Egypt	1.50 5.50 Reunif.	12.50 FF
France	10.00 FF Saudi Arabia	10 SR
Gabon	1.100 CFA Senegal	1.100 CFA
Iraq	3.000 Lira Spain	250 Pts
Italy	1.250 CFA Turkey	1.250 Din
Jordan	1.250 JD U.A.E.	10.00 DH
Kuwait	700 Fils U.S. M. (Euro)	\$1.20

For China, which has spent the past 13 years trying to gain entry into the World Trade Organization, the benefits of joining the club of trading nations are manifest.

But for Hong Kong, which has thrived as a middleman between China's closed markets and the outside world, the prospect of a more open China raises hard questions about the future of this trading post.

As a former British colony and semi-autonomous region of China, Hong Kong is a stand-alone trading entity with its own membership in the WTO. But its

NATO Steps Up Its Air Attacks Amid Reports of New Massacres



At the Stenkovac refugee camp in Macedonia on Thursday, a German policeman, above, stamped the bands of refugees before their evacuation to Germany. Below, refugee children collecting their food rations.



UN Official 'Very, Very Worried' on Refugees

• As Yugoslavia forces seal its borders and tell thousands of ethnic Albanian refugees to return home, a UN high commissioner says she is "very, very worried" about those Kosovars who have apparently been prevented from leaving. Page 4 • Tribunal voices doubts on U.S. war crime warnings to nine Yugoslav commanders. Page 4 • NATO fires on Montenegro missile battery. Page 12 • NATO commander asks allies for more airpower. Page 12 • U.S. poll finds 57 percent back use of ground troops. Page 13.

Milosevic Calls a New, Softer Tune

His Moves to Reverse the Exodus Will Force NATO to Adjust Its Tactics

By Michael Dobbs
Washington Post Service

BELGRADE — With his move to close Kosovo's borders and reverse the flow of refugees from the province, President Slobodan Milosevic of Yugoslavia has again demonstrated considerable flair for suddenly changing the course of the conflict with the United States and its NATO allies.

Just as Mr. Milosevic's decision to launch an all-out offensive against Kosovo's ethnic Albanian population last month caught Western officials by surprise, his move to turn off the Albanian exodus from the province will force NATO to adjust its tactics even as it continues its bombing campaign against Yugoslav military targets.

The decision to close Serbia's borders was accompanied by a number of conciliatory gestures from Mr. Milosevic aimed primarily at international public opinion. These included hints that he may be about to release three imprisoned American servicemen, the announcement of a unilateral cease-fire for Orthodox Easter and a government-arranged tour of Kosovo's capital, Pristina, for Western television crews.

The decision to close the borders and order refugees to go home, at the point of a rifle if necessary, achieves several things for Mr. Milosevic.

First, it will reduce television images of ethnic Albanian suffering and a procession of refugees that have inflamed public opinion in Western countries against the Serbs. For all of Mr. Milosevic's tactical prowess, he clearly underestimated the impact that pictures of the exodus from Kosovo would have on public opinion in Western countries, thereby undercutting his hopes of splitting the North Atlantic Treaty Organization.

Second, from a military point of view, the presence of a disarmed and cowering Kosovo Albanian population makes it more difficult for NATO to attack Mr. Milosevic's military

forces in the province or to wrest Kosovo from Serbia, the dominant Yugoslav republic.

As long as Mr. Milosevic was conducting an all-out attack on the Kosovo Liberation Army, the main secessionist force in the province, it made sense to drive out ordinary ethnic Albanians because they provided cover under which the guerrillas could operate. But now that the guerrillas have been eliminated as a serious military threat, at least in the short term, the calculation has been reversed. A Kosovo empty of all inhabitants save for government security forces would be an easier target for NATO.

Although Mr. Milosevic's latest moves fall well short of NATO demands for a withdrawal of government forces from Kosovo and a return of refugees under international protection, they do suggest that he is looking for ways out of the crisis. After two weeks of NATO bombing and stubborn defiance by Belgrade, the endgame still seems far away.

What the world is witnessing now is the beginning of the middle game. After shocking the world with his opening gambit — clearing Kosovo of more than a quarter of its ethnic Albanian population — Mr. Milosevic is embarking on what could be a protracted war of wit with President Bill Clinton and other Western leaders.

Analyzing the future course of the war is complicated by the fact that one side, NATO, is a collection of 19 fractious democracies, while the other, Serb-led Yugoslavia, is an authoritarian regime ruled by a secretive leader, but one with substantial popular support at present. Even if NATO enjoys the advantage of overwhelming military superiority, assuming it is willing to exercise it, Mr. Milosevic has the ability to keep his opponents guessing over his ultimate intentions.

Yugoslav news media began reporting Tuesday that Kosovar

Allies May Hit Serb Television

By Joseph Fitchett
International Herald Tribune

PARIS — NATO countries sharply escalated political accusations against Yugoslavia on Thursday, including charges of fresh massacres of civilians in Kosovo, even as Belgrade claimed to be preparing a peaceful solution to the crisis.

The Western offensive seemed designed to keep President Slobodan Milosevic isolated internationally and allow time for NATO's intensifying air war to bite deeper into the Serbian military.

Defense Minister Rudolf Schapring of Germany said at a news conference in Bonn that in the last 24 hours "a massacre took place near the town or village of Pastric and 35 unarmed civilians were assassinated in the village of Sopci."

The report offered a forceful rebuttal to the claims of Belgrade's state-run media that Serbian security forces had ended their offensive against "terrorist" ethnic Albanian guerrillas and restored peace in Kosovo.

European Union foreign ministers gave strong support Thursday to NATO air strikes against Yugoslavia and said Serbian leaders responsible for atrocities in Kosovo should be brought to justice.

"In the face of extreme and criminally irresponsible policies," the foreign ministers said in a statement after a meeting in Luxembourg, the "use of the severest measures, including military action, has been both necessary and warranted."

Serbian forces were reported laying land mines along the borders of Kosovo, and displaced civilians were being prevented from leaving the province. The ethnic Albanian civilians might be used as hostages — perhaps even as human shields as allied attacks close in on vital targets, according to Javier Solana Madariaga, secretary-general of the alliance.

The United States said Thursday that it had credible evidence of summary executions in eight towns in Kosovo and Serbian acts of destruction, including house burnings, and targeting of ethnic Albanians.

"Independently we've been able to confirm that the Serb forces are conducting this type of ethnic cleansing in Kosovo," said James Rubin, the State Department spokesman.

After air strikes on military sites in

Kosovo, Mr. Rubin said, Serbian forces moved in to destroy civilian houses and buildings nearby to make it had caused much "collateral damage" — trying to "present a phony description to the world."

The charges of atrocities, even without independent verification, reinforced a picture of Serbian determination to inflict a maximum of brutality on the ethnic Albanians. The charges also increased psychological pressure for faster allied military gains, even while Western officials were still hopeful that the air campaign would succeed in time to stave off pressure for a ground offensive.

A hint that alliance commanders were starting to chafe at political constraints on the scope and the punch of their campaign surfaced when General Wesley Clark, who heads NATO and U.S. forces in Europe, said he wanted significantly more American and allied warplanes in order to intensify the air strikes.

See NATO, Page 4

NATO Strikes Of Crossings Along Danube Disrupt Trade

By Edmund L. Andrews
New York Times Service

FRANKFURT — The bombing by the North Atlantic Treaty Organization of bridges along the Danube river in Yugoslavia has stranded scores of freighters from Budapest to the Black Sea and paralyzed shipments of oil, iron ore, soybeans and sunflower seeds to Western Europe.

Though experts say the disruption will have a limited impact on Yugoslavia itself because its trade with Western Europe is negligible, it is likely to be painful for Hungary, Romania, Bulgaria and Ukraine.

Approximately 60 ships, most of them loaded with such agricultural products as wheat and corn, are now stuck in Mohacs, Hungary, because they cannot get past the bombed-out bridges to their destinations in Romania and Bulgaria.

In Austria, a leading producer of construction materials has been cut off from its Romanian cement suppliers. Another company in Vienna is waiting for a barge load of sunflower seeds that has been blocked from leaving Romania.

"The whole Danube waterway has been blocked because of the bridges that were completely damaged in Yugoslavia," a spokesman for the Hungarian Transportation Ministry said.

Celebrated in the "Blue Danube," Walz by Johann Strauss, the river is a major transportation link that flows 3,000 kilometers (1,800 miles) from the Black Forest in southern Germany through Austria to the Balkans and the Black Sea.

But the attack on Yugoslavia has sliced the Danube in two, cutting off downstream countries such as Romania and Bulgaria from their upstream markets in Western Europe.

"Until last week, we had fairly unrestricted transit all the way through to the Black Sea," said Karl Hillerer, a top

See BRIDGES, Page 4

AGENDA

Turkish Aide Hurt By Suicide Bomber

DIYARBAKIR, Turkey (Reuters) — A suspected Kurdish rebel wounded the governor of a province in mainly Kurdish southeastern Turkey and killed his driver in an apparent suicide bombing Thursday, the Anatolian news agency said.

It was the third bomb attack on a provincial governor since the capture in February of the Kurdish guerrilla leader Abdullah Ocalan.

The bomber died on the spot.

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The IHT On-line www.iht.com

China's Trade Hopes Threaten Hong Kong's Cachet

By Mark Landler
New York Times Service

HONG KONG — For China, which has spent the past 13 years trying to gain entry into the World Trade Organization, the benefits of joining the club of trading nations are manifest.

But for Hong Kong, which has thrived as a middleman between China's closed markets and the outside world, the prospect of a more open China raises hard questions about the future of this trading post.

As a former British colony

ASIA/PACIFIC

Thefts

Militiamen Vow to Press Separatists in East Timor

Associated Press

DILI, East Timor — Thousands of anti-independence militiamen, some accused of massacring at least 25 villagers this week, vowed Thursday to step up their fight against separatists who want East Timor to break away from Indonesia.

About 2,000 fighters brandishing swords, iron bars and other homemade weapons rallied at Maliana, a remote town about 140 kilometers (85 miles) west of the territory's capital, Dili, residents said.

"Many of them chanted 'Long live Indonesia.' They waved red and white Indonesian flags," Sumarsono Sradi, a Roman Catholic priest, said by telephone from Maliana.

Organizers of the rally said 13 armed groups had taken part. A militiaman spokesman, Basilio Araujo, said 15,000 people had attended, including 2,000 armed fighters. No independent confirmation of the numbers was available.

The town, near the border with West Timor, is the headquarters of pro-Jakarta militias in East Timor.

There were no reports of trouble Thursday after bloodshed this week in the former Portuguese colony, which has been racked by guerrilla warfare and human rights abuses since Indonesia invaded it in 1975.

On Tuesday, anti-independence fighters, allegedly backed by Indonesian troops and police, shot and hacked terrified villagers to death in clouds of tear gas outside a church in Liquica, 28 kilometers west of Dili, witnesses said.

Indonesia has been plagued by civil unrest since the ouster last May of then-President Suharto, and the military has been outnumbered in many riots.

Stores were boarded shut in Liquica on Thursday, and there were few people on the streets.

Bishop Carlos Belo, the 1996 Nobel peace laureate who is the territory's spiritual leader, said at least 25 people had been killed.

A Dili-based human rights group, Yayasan Hak, estimated from witness' accounts that 52 people had been killed and their bodies dumped at sea or in a nearby lake.

Bishop Belo and pro-independence activists, along with Portugal, condemned the violence as a massacre and have demanded an international inquiry into the killings, the worst since Indonesian soldiers fired on separatists at a cemetery in Dili in 1991, killing at least 50. Human-rights activists put that death toll at more than 200.

The violence Tuesday cast a shadow over plans by the United Nations to hold a vote in July among East Timor's people on whether to remain within Indonesia as an autonomous state or become independent.

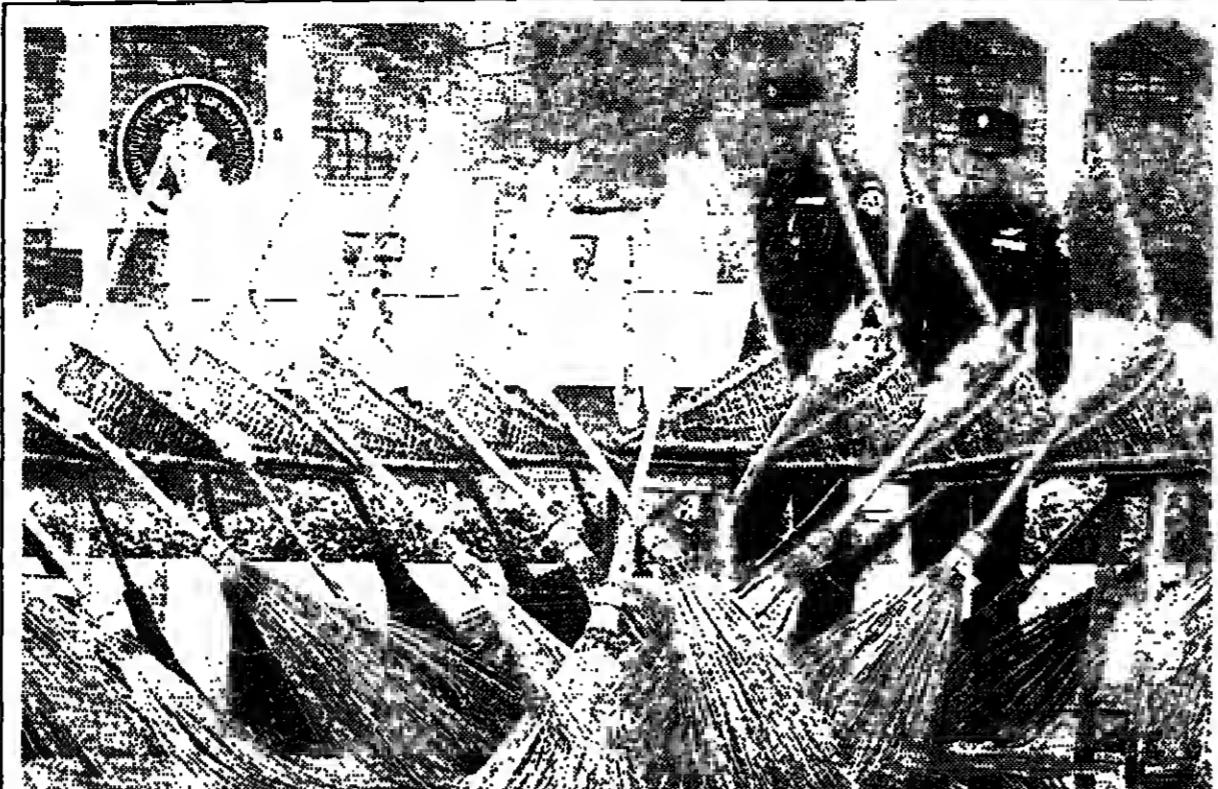
Anti-independence leaders said they planned to hold more rallies in reaction to a call to arms Monday by the jailed pro-independence guerrilla leader Jose Alexandre Gusmão.

Mr. Gusmão appeared, however, to soften his stand Wednesday, saying he only wanted East Timor's people to defend themselves. (AP, Reuters)

■ 2 Held in 1965 Uprising Freed

Two Communists were released from prison Thursday in Padang, Indonesia, after serving 33 years for their alleged involvement in the 1965 coup blamed on the Indonesian Communist Party. Agence France-Presse reported from Padang on the island of Sumatra.

Sri Suharjo, 71, and Buyung Kenek, 59, were among 10 political prisoners sentenced to death or life imprisonment more than 30 years ago who were pardoned in March by the government of President B.J. Habibie.



NEW BROOMS SWEEP CLEAN — Two officials inspecting a display of brooms Thursday in Bangkok. The exhibition is part of a cleanup campaign to encourage citizens to make the city more liveable.

BRIEFLY

Mahathir, Reported Improving, Hopes to Go Back to Work Soon

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad, in the hospital for a sixth day with a lung infection diagnosed as bronchitis, said Thursday that he felt better and hoped to return to work soon.

Speaking on state television, Mr. Mahathir said: "Thank God, I'm getting better. My appetite has improved. There is no need for anyone to worry."

Mr. Mahathir, 73, entered the National Heart Institute on Friday. Authorities say he is recovering, but his disappearance from public view has stirred rumors in financial and commodity markets.

Mr. Mahathir, whose aides said he had suffered a buildup of phlegm, spoke haltingly and with an unusually deep voice.

Mr. Mahathir had a heart bypass in 1989, but aides say his current illness has no connection to that. (Reuters)

Taipei Talks Tough on Beijing

TAIPEI — President Lee Teng-hui reaffirmed Taiwan's demand Thursday to be recognized as an equal and refused to start discussing political matters with Beijing related to the mainland.

"Our mainland policy construct remains exactly the same from start to finish," Mr. Lee said in his address to an advisory board on China policy.

China retains its stance that Taiwan must be isolated and cajoled into reunifying and has offered no positive response to Taiwan's calls for better relations, he said.

Mr. Lee mitigated the harshness of his remarks by saying he hoped that the Chinese negotiator Wang Daohan would have a successful visit to Taiwan. (AP)

Sikhs Flock to India for Anniversary

ANANDPUR SAHIB, India — Tens of thousands of Sikhs from around the world converged Thursday on this northern Indian town as the largest gathering in Sikh history marked the founding 300 years ago of the religion's biggest sect.

Anandpur Sahib, or "City of Bliss," which has been given a 5 billion rupee (\$17 million) face-lift for the celebrations, provided a startling all-white backdrop to the crowds of bearded Sikhs wearing turbans in a multitude of colors.

Up to 5 million Sikhs, or one quarter of the religion's global community, are expected to pass through Anandpur Sahib, in Punjab state, during the one-week anniversary.

Sikhism is more than 500 years old. But this anniversary marks the founding 300 years ago of a militant fraternity called the Khalsa, or the pure, by the 10th and last Sikh guru, Gobind Singh.

Today the vast majority of Sikhs belong to the sect. The men are recognizable by their turbans and beards.

U.S.-Japan Prisoner Swap?

TOKYO — The United States is negotiating a pact with Japan to allow citizens from one country who are convicted in the other to serve their sentences in their homelands, the U.S. Embassy said Thursday.

The idea is that prisoners would be better rehabilitated and reintegrated into society in their own countries, an official at the U.S. Embassy said.

There are 37 Americans in Japanese prisons and nine awaiting either trial or deportation, and there are about 20 Japanese prisoners in U.S. prisons. (AP)

Malaysia Virus Stumps Experts

KUALA LUMPUR — A tropical virus that has killed 90 people in Malaysia is the first of its kind, and virologists are stumped as to how it spreads, an American health official said Thursday.

Nine scientists from the United States and others from Australia, Taiwan and Japan arrived in Malaysia several weeks ago to help determine the nature of the virus believed to be spreading from pigs to humans.

"This is a new, previously unrecognized virus found in humans," Tom Skinner, a spokesman for the U.S. Centers for Disease Control and Prevention in Atlanta, said. "This virus has never been seen before." (AP)

For the Record

Top editors resigned at The Manila Times, one of the Philippines' oldest newspapers, to protest the owners' decision to apologize to President Joseph Estrada for a report that prompted a \$2.6 million libel lawsuit. The president responded by saying he would drop the lawsuit. (AP)

White-robed and saffron-turbaned pilgrims, on bicycles, trucks, buses and tractors, passed under hundreds of arches festooned with festive banners and streamers hung across the road from Chandigarh, the capital of Punjab, 80 kilometers (50 miles) to the east.

The roads of Anandpur Sahib seethed with pilgrims. The Red Cross treated more than 3,000 people for exhaustion.

For Parkash Singh Badal, chief minister of Punjab and the Sikhs' top political leader, the event is an opportunity to reassess the tenets of the faith.

"The Sikh social order is for providing justice to everyone, irrespective of caste or creed," Mr. Badal said. "Sikhism is all the more relevant today than ever before."

The focus for the pilgrims was Anandpur Sahib's main shrine, the Taksh Keshgarh — one of the five symbolic seats of temporal authority in Sikhism. Tens of thousands of pilgrims waited to enter the shrine complex.

Sprawling tent cities have been constructed on the town's outskirts and command cantines dole out free food.

More than 5,000 police officers, including special anti-terrorist units, have been deployed in and around the town amid fears of a possible attack by hard-line Sikh separatist groups.

"We have taken every possible precaution," said the district police chief, Jaskaran Singh. "The safety and security of the pilgrims is paramount."

Inaugurating the celebrations, Prime Minister Atal Behari Vajpeyi paid tribute to the "great sacrifices" made by Sikhs over the centuries.

"The birth of the Sikh religion gave India a new lease of life and helped forge unity among Indians because it is casteless," Mr. Vajpeyi said.

Although the mood among the pilgrims was relaxed and festive, a shadow was cast over the event by a bitter factional dispute between the religion's political and religious leaders.

Sikhs opposed to the faction led by Mr. Badal set up separate camps in Anandpur Sahib and held rival meetings and prayer sessions.

"Badal has gathered his forces and made it look like a government celebration," said S.S. Bhamra, the former acting chief of the Kesgarh shrine. "He is worse than a dictator."

Mr. Badal called the parallel celebrations "divisive."

As they stand, the revisions would enable the Self-Defense Forces, Japan's army, to support U.S. troops in "areas surrounding Japan," as well as to offer logistic support, search-and-rescue operations and inspections of suspect ships. In other words, if sparks fly in the Taiwan Strait or between North and South Korea, they could be involved.

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THE AMERICAS

China's Thefts of Nuclear Secrets From U.S. Now Dated to '95By Jeff Gerth and James Risen
New York Times Service

WASHINGTON — In early 1996, the United States received a startling report from one of its Chinese spies. Officials inside China's intelligence service, the spy said, were boasting that they had just stolen secrets from the United States and had used them to improve Beijing's neutron bomb, according to U.S. officials.

Since the spy had provided reliable information in the past, officials said that investigators took the report seriously.

China first built and tested a neutron warhead in the 1980s, using what U.S. officials have said publicly were secret data stolen from Lawrence Livermore National Laboratory in California, a key nuclear weapons facility.

But the design did not work properly. U.S. officials say that China's 1988 test of the neutron bomb, which kills people with enhanced radiation while causing relatively less material damage, was not

successful. Now, the spy was suggesting, Chinese agents had solved the problem by coming back to the United States in 1995 to steal more secrets. The spy even provided details of how the information was "transferred" from the United States to China, officials said.

The spy's report arrived as U.S. intelligence agencies were examining a separate suspected Chinese espionage coup: the theft of designs of America's most modern nuclear warhead, the W-88.

The disclosure of this previously unknown 1996 intelligence report about the neutron bomb is significant for several reasons.

Until now, Clinton administration officials have portrayed reports of China's nuclear spying as an old story.

In a series of public statements, administration officials have emphasized that the loss of the W-88 design occurred in the 1980s, which was while Republicans held the White House. The officials have suggested that there is no evidence that Chinese nuclear spying continued

Council official who attended the 1996 briefing did not believe the neutron bomb issue was mentioned. Mr. Leavy said that Mr. Berger did not learn of the suspicious until a more detailed briefing in July 1997.

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into the Clinton administration. They have also said that President Clinton acted quickly in response to concerns about security breaches at the nuclear weapons laboratories by issuing a presidential order in February 1998.

Accounts by government officials about the neutron bomb case call both assertions into question.

According to the officials, the briefing of Mr. Berger in April 1996 included evidence of the theft of the W-88 design, the need to increase security at the weapons laboratories and the report about the loss of neutron bomb.

The White House said Mr. Berger did not tell the president or take any further action until more than a year later, in July 1997, when he received a more detailed briefing about the W-88 theft, the neutron bomb and the ongoing Chinese espionage.

Soon after, Mr. Leavy said, Mr. Berger told the president about the security weaknesses at the laboratories and

China's spying. Asked whether he mentioned the neutron bomb case, Mr. Leavy would reply only that he did not detail "each and every allegation."

A bipartisan congressional report on China's acquisition of U.S. technology includes a detailed, but still secret, account of Beijing's efforts to obtain neutron bomb secrets, including reports of efforts during the Clinton presidency.

But government officials say that the Clinton administration is resisting requests from Congress to make the more recent material public.

Mr. Leavy said the administration was cooperating with Congress to declassify as much material as possible consistent with law enforcement and intelligence requirements.

Several agencies, including the FBI, the Central Intelligence Agency and the Energy Department are continuing to examine the case.

The FBI has not identified a suspect in the case.

POLITICAL NOTES**Christie Whitman Begins Senate Bid**

TRENTON, New Jersey — Governor Christie Whitman set in motion Thursday her bid for the Senate seat being vacated by the Democrat Frank Lautenberg with the formation of a fund-raising committee.

The second-term governor, long seen as a Republican Party star, ended speculation about her political future by kicking off an effort to become the first elected Republican senator from New Jersey since the 1970s.

The prominent Republican fund-raisers Lewis Eisenberg and Candace Straight, longtime supporters of the governor and other party moderates, announced Thursday that they would head the fund-raising effort for the 2000 campaign.

Mrs. Whitman, 52, is the first female governor of New Jersey. She would be the state's first female senator if she won. Her second term as governor is scheduled to end January 2002. (AP)

Pilot Testifies On Crash Probe*The Associated Press*

UNIONDALE, New York — A former TWA pilot who helped investigate the crash of Flight 800 admitted in court Thursday that he had told a writer he would give "priority" to finding a piece of evidence that might prove the plane was shot down by a missile.

But Captain Terrell Stacey testified that even before meeting James Sanders, who was writing a book on the 1996 crash, he had become frustrated and concerned over the way the FBI and National Transportation Safety Board had been conducting the investigation.

In reply to questions, he said the agencies seemed to be ignoring or pushing aside certain aspects that he considered worth closer scrutiny.

The jet exploded off the Long Island coast on July 17, 1996, just minutes after leaving John F. Kennedy Airport for Paris. All 230 people aboard were killed, including 53 TWA employees.

The government says the Boeing 747 jumbo jet was destroyed by a fuel tank fire of unknown origin.

Captain Stacey is the government's star witness against Mr. Sanders, 53, and his wife, Elizabeth, 52, a former TWA flight training supervisor.

They are accused of stealing documents and a swatch of seat fabric allegedly stained with missile fuel residue. The FBI says the stains actually were from glue.

Captain Stacey — a 33-year TWA veteran who had flown the doomed plane from Paris to New York the day before the crash — was originally charged along with the couple. He agreed to testify against them and pleaded guilty to a misdemeanor. He faces up to a year in prison.

Quayle to Declare At His High School

HUNTINGTON, Indiana — Dan Quayle, a former vice president, will formally announce his candidacy for the Republican presidential nomination at a political rally next week at his hometown high school in Indiana.

Mr. Quayle, 52, will be joined on stage at Huntington North High School, where he graduated in 1965, by his wife, Marilyn, and numerous state and national elected officials, his campaign said. (AP)

More Bush Support In New Hampshire

WASHINGTON — The endorsement-bevy presidential campaign of Governor George Bush of Texas will get another lift, this time in the key early state of New Hampshire. Senator Judd Gregg, the state's senior Republican elected official, is expected to announce his support for Mr. Bush shortly.

Bush advisers say that Mr. Gregg's support will help overcome the fact that the governor has fallen behind other candidates in organizing in the state with the first primary election in the nation.

Mr. Gregg and his father, Hugh Gregg, a former governor, supported Mr. Bush's father during his three presidential campaigns. The younger Gregg is reputed to have the best political Republican network in the state. (WP)

Panel to Query Starr About Counsel LawBy Edward Walsh
Washington Post Service

WASHINGTON — The independent counsel Kenneth Starr and members of the three-judge panel that oversees him will testify before a Senate committee considering whether to renew the independent counsel law.

Mr. Starr's appearance before the Senate Governmental Affairs Committee on Wednesday will bring him face to face with some Senate Democratic critics of his four-and-a-half-year investigation, which led to President Bill Clinton's impeachment. Mr. Clinton was later acquitted by the Senate on charges of perjury and obstruction of justice stemming from his relationship with Monica Lewinsky, the former White House intern.

The committee will also hear testimony from Judges Richard Cudahy, Peter Fay and David Seaton. They make up the three-judge Special Division of the U.S. Court of Appeals in the capital, which appoints independent counsels, although Judge Cudahy was not a member of the panel when Mr. Starr was appointed in 1994.

Sharp criticism of Mr. Starr's investigation has bolstered congressional sentiment to do away with the 1978 independent counsel law, which is to expire June 30 unless reauthorized by Congress. Even many supporters of the concept of the law say it should undergo a major overhaul to limit the scope of independent counsel investigations and make them more accountable.



ARGUMENTS OVER — Susan McDougal getting a kiss from her lawyer, Mark Geragos, after closing statements were made in her trial for criminal contempt and obstruction of justice in Kenneth Starr's Whitewater investigation. The case was expected to go to the jury in Little Rock, Arkansas, on Thursday.

Jeff Mitchell/Reuters

However, if the law is not renewed, Mr. Starr and the five other independent counsels in operation will continue to do business after June 30 under a provision in the statute that permits existing investigations to continue.

Fred Thompson, Republican of Tennessee and the committee's chairman, has said he wants the hearings to focus on the law, not Mr. Starr's investigation, but the hearing next week will give Senate Democrats their first opportunity to ques-

tion and criticize Mr. Starr in person. "It's fair to say, given some of the strong reactions that Mr. Starr's investigation provoked, that there will be some tough criticisms," said Dan Gerstein, spokesman for Senator Joseph Lieberman of Connecticut, the committee's ranking Democrat.

Mr. Gerstein said Mr. Lieberman did not want to turn the hearing into "a referendum on Ken Starr" but to use the Starr investigation to "illuminate the

flaws in the statute." "He will be focusing on where the investigation of the president crossed some lines, went a little farther than it probably should have, and see what tells us about the flaws in the statute."

A spokeswoman for Mr. Starr said he looked forward to testifying. Mr. Starr has not commented publicly on the law, which was enacted after the Watergate scandal to shield from political influence investigations of high-ranking officials.

AMERICAN TOPICS**A Hard Rain Gonna Keep Falling**

The early horror stories about acid rain brought a cloud of concern to areas like the Adirondack mountains in New York, where hundreds of lakes and streams can no longer sustain life. But the federal and state governments passed a variety of clean-air measures, and many people assumed that enough had been done.

Not so, according to a new federal report, which finds that despite major strides in reducing air pollution, acid precipitation remains a serious problem in the Adirondacks and is a growing threat in the southern Appalachians, Colorado's Front Range and parts of the Sierra Nevada, the Great Smokies, the Rocky Mountains and the Chesapeake Bay.

The report does offer some good news. It says that 1990 amendments to the Clean Air Act, which aim to require coal-fired power plants and other heavy industries to cut sulfur dioxide and nitrogen oxide emissions by half over the decade, have been fairly effective, The New York Times reports.

But the report also showed the problem to be more complex and intractable than had been thought. It projects that by 2040, half the 2,800 lakes and ponds in the Adirondacks will be too acidic to sustain much life, and it suggests further restrictions on industrial emissions.

Industrialists say the 1990 measures simply need more time to work, but environmental groups welcome the report. "It bears out the warning that we issued more than 10 years

ago that the Adirondacks are the canary in the coal mines," said John Sheehan of the Adirondack Council. "We're dying first, but that doesn't mean everybody else is immune."

Short Takes

The fast-growing popularity of on-line university courses has produced conflict between administrators and faculty at some schools. At Drexel University, in Philadelphia, an administrator has asserted that the school should own all rights to on-line course materials, much as academic institutions own patent rights to their faculty's inventions (but share royalties).

Many professors, reports The Chronicle of Higher Education, say, however, that the materials they develop for Internet courses are like textbooks, and that universities rarely claim the rights to textbooks.

The beloved cherry trees around Washington's Tidal Basin — now, incidentally, at peak blossom — have an insidious enemy. Since late last week, a beaver has gnawed down two of the trees, as well as three white cedars.

Biologists of the National Park Service want to catch the culprit, using humane traps, before it falls more. They have placed protective covers around some trees.

Gregg Regan, the Connecticut commissioner of information technology, was asked if the state had a contingency plan in case its elevators suffer a computer failure on Jan. 1, 2000, Governing magazine reports.

"We have contingency plans," Mr. Regan said. "The contingency is the stairs."

Brian Knowlton

CROSSWORD

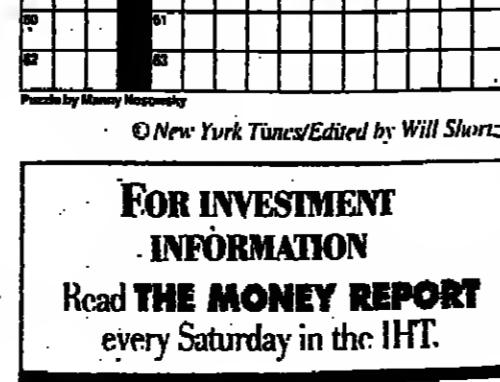
ACROSS

- It challenges the imagination
- Places to find tracks: Abbr.
- Moll Flanders' author
- Pique
- Sabin development
- Verdy
- Garden
- Incautious
- Alexander Calder form
- Safe, on board
- Kazakhstan, once Abbr.
- Made go, in a way
- "Natural History" author
- Shoshonean language
- They were once burned
- "Reader, I named him" writer
- Stamp on a package
- Suffic with ball or bass
- "O Sole —"
- People, for short
- Man of choice
- Men around the house, maybe
- Tome
- Book category
- Ruins
- "Cleopatra" star, 1917
- Rub, in a way
- What grain rots
- Gun
- in the way
- Alford-based medical org.
- Helpful group on-line
- Off the beaten track
- Actress Blakely of "Nashville"
- Barry Levinson
- Slur
- Biota
- Tigre
- Loeb
- Isnot
- Ulan
- Rudy
- Sheps
- Mend

Solution to Puzzle of April 8

LOGE **I PASS TWO'S**
OBIT **MORTE OATH**
EERO **MOSAIK MUSE**
SYDNEY POLLACK
SELIG ERE GAELS
REARED TOOTSIEST
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DUSTIN HOFFMAN
BEN EEO
RAINMAN TORMES
ARMEE NAH MENLO
SARRYL VILLEVINSON
SLUR BIOTA TIGRE
LOEB ISNOT ULAN
RUDY SHEPS MEND

FOR INVESTMENT INFORMATION
Read **THE MONEY REPORT**
every Saturday in the IHT.



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Away From Politics

- The former Domino's Pizza mogul, Tom Monaghan, will spend \$50 million of his profit from the sale of the company to create a law school meant to produce lawyers who will consider the moral consequences of the law from a Roman Catholic point of view. (AP)

- Gun club patrons in Massachusetts have gone to court for the right to shoot at images of Adolf Hitler and other people during target practice, which had been banned at some clubs by a new state law. (AP)

- A revised plan that would speed cleanup of the Florida Everglades has been released by the Army Corps of Engineers to placate environmentalists. Key components of the \$7.8 billion project are now scheduled to be completed by 2020 rather than 2025. The cleanup aims to restore traditional water flow through the Everglades to save the animal population. (AP)

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Tomorrow**FOR INVESTMENT INFORMATION**

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THE WORLD'S DAILY NEWSPAPER

The Refugee Drama / Concern for the People Still in Kosovo

Serbs Halt Expulsions, But Kosovars Still Face Chaos and Uncertainty

By R. Jeffrey Smith
and Daniel Williams
Washington Post Service

BLACE, Macedonia — The government of Yugoslavia has moved abruptly to halt the expulsion of hundreds of thousands of ethnic Albanians from Kosovo Province into neighboring nations, reversing a policy that had helped solidify Western support for continued NATO air strikes against Yugoslav military targets.

Government security forces began late Tuesday to seal the country's borders with Albania and Macedonia, and instructed thousands of ethnic Albanians who had been waiting to depart in return home.

Over the previous 11 days, Yugoslav troops and paramilitary groups had been ordering ethnic Albanians to flee and never return.

Separately, the Macedonian government overnight evacuated a huge, squalid encampment of refugees at Blace, on its border with Yugoslavia. In darkness, it placed tens of thousands of ethnic Albanians aboard buses that immediately departed for Albania, Greece and Turkey.

The move followed worldwide criticism that Macedonia had confined the refugees in inhumane conditions.

The effect of the Yugoslav and Macedonian actions was to begin to alleviate a political and economic crisis that Western officials had forecast would soon involve more than 500,000 refugees — or more than a quarter of the province's population of 1.8 million before the conflict began last year.

But many questions remain about the fate of displaced civilians from Kosovo, including why the Yugoslav government took the action: where tens of thousands of ethnic Albanians who had been clustered on both sides of Yugoslavia's borders have gone; and how safe those still inside Kosovo were.

[On Thursday, the United Nations refugee agency said that it was able to account for as many as 55,000 refugees

evacuated from the Kosovo-Macedonia border late Wednesday but that the fate of several thousand more was unclear. Reuters reported from Tirana, Albania.

[Nicholas Morris, the envoy of the UN High Commissioner for Refugees to the former Yugoslavia, said the group believed that at Blace, "taking the field, the people at the border, the people backed up, there were perhaps between 60,000 and 70,000 people there three days ago. We can account for between 50,000 and 55,000."

[He said the agency was "trying to find out what happened to the others and will follow up on any reports as to whether indeed people are missing and of course with the greatest concern for anybody who was actually expelled back into Kosovo."

[The UN High Commissioner for Refugees, Sadako Ogata, in Tirana for talks with the Albanian government, said more than 33,000 of the Kosovars had been taken to a NATO-run center in Macedonia. Others were evacuated in Albania, Turkey, Norway and Germany.

[Later Thursday, during a visit to a refugee camp in Kukes, Albania, Mrs. Ogata said that she was "very, very worried" about thousands of Kosovar refugees apparently prevented by force from fleeing their homeland in Albania. She said she could not rule out that they could be used as human shields by the Serbs against NATO strikes.

[It started with expulsions or deportations. I hope it was not stopped by force," she told reporters in Kukes, where up to 100,000 refugees are being cared for by international aid agencies. "We are against forceful deportation of people, we are against forceful stopping of people, and I would like to find out more."

[At the border crossing near the Albanian town of Morina, relief officials and ethnic Albanian stragglers said that tens of thousands of refugees heading toward the frontier had been turned around and marched at gunpoint toward Prizren, the third-largest city in Kosovo. Their cars and tractors were smashed,



Refugees reaching for bread from a truck at a camp outside Kukes, Albania, on Thursday.

the refugees said, and some vehicles were burned.

[A second crossing leading to the Albanian town of Qafa e Prushit also was reported closed.

The Yugoslav government has depicted its decision to encourage ethnic Albanians to return home as part of a cease-fire related to the celebration of Easter this Sunday by the Serbian Orthodox Church and other Orthodox Christian sects. Western officials said it could be a prelude in a more general capitulation by Belgrade or a tactic meant only to chip away at NATO's resolve to continue its air campaign.

[News of what is transpiring inside Kosovo, particularly outside major cities, remains sparse. Three West European journalists who left Wednesday from Pristina, the provincial capital, where they said they had been confined by police for several days, told colleagues in Blace that the road north of the border crossing was depopulated.

Until Tuesday, as many as 5,000 refugees were moving south along that road, but now, the journalists said, it was lined only with smashed and abandoned

cars. At a crossing west of Blace, at Jazinc, witnesses reported that Yugoslav police were driving away people in a 25-kilometer (15-mile) line — people who had been waiting for a week to be admitted to Macedonia.

Buses were lined up on the Kosovo side of the border, possibly to assist their return home. But the accounts of those who have fled Kosovo suggest that many will go back to find their homes looted or burned.

[In Brussels, a NATO spokesman, Jamie Shea, expressed the alarm of alliance officials, saying it was "one thing to push refugees over the borders, where the international community is now increasingly ready to deal with them in a humane way, but it's quite another thing to push them back into a wasteland where there is no food, very little water or medical supplies, where everything has been looted."

At the Blace refugee encampment, aid workers said they were mystified that some of the refugees evacuated during the night had left behind prized possessions on the muddy ground, including passports, identification papers and

food. "You don't leave baby food, and you don't leave your documents behind," unless your exodus is orchestrated on short notice and without any choice, said Paula Ghedini, a representative of the UN refugee agency.

A colleague, Paul Stromberg, also complained that the speed and chaos of the evacuation had divided scores of families.

"We talked in a girl this morning who found her father was in Turkey, her mother was in another transit center, her brother at another crossing point," Mr. Stromberg said.

But the process of reuniting families will be complicated by the fact that Macedonia has yet to supply the UN agency with registration lists of the estimated 70,000 refugees who had been moved from Blace.

"It certainly was not done according to the principles of refugee law," said an official of the International Committee of the Red Cross. "They were supposed to give the United Nations access to the site, in register the refugees, to ensure they were leaving of their own free will and to unite families first."



Serbs taking Communion in a Belgrade church on Thursday at the start of the Orthodox Easter observance.

BRIDGES: NATO Bombings of Danube Crossings Halt Trade

Continued from Page 1

manager at Danube Shipping Co. in Passau, Germany. "Now that has all stopped."

Despite the Balkan wars, Danube freight shipping has been climbing steadily. Romania ships a variety of commodities, particularly oil and iron ore. Bulgaria has built up a regular business in "roll-on, roll-off" traffic, in which loaded trucks are put onto ferries, carried to Austria or Germany and then driven to their destinations.

The river has also been important for shipments of oil to the West.

European companies are scrambling for alternative routes.

"This is an added burden that will weigh down the whole region," said Gustav Poschakote, chairman of Express Internationale Spedition AG, a shipping company in Vienna that normally sends more than 2,000 ships a year down the

river. "It is not only trade with Western Europe; these countries also carry out a lot of trading with each other."

Shipping executives said that detours exist, but that they are more expensive and slower. Many products can be transferred from ships to trains, though no one is quite sure about train capacity in Romania, and railroads are more expensive than barges. Some could be shipped from the Black Sea through the Mediterranean and Adriatic, but that route would be several times longer than the Danube link.

The disruptions have already had an impact on many companies in Austria, long a center for business with Central European countries.

Lasselsberger Holdings International GmbH, a construction-materials company based in Worth, has been importing cement from Romania for five years. Now it has several shipments stranded in Izmail, Ukraine, near the Black Sea.

The biggest disruption has been in Hungary, which has an extensive trade with the rest of Central Europe.

At Ferroport, one of the biggest freight-forwarding companies in Budapest, executives predict that the city's shipping volumes will decline by half as a result of the blockage.



Valdren Kmone, 7, an ethnic Albanian, waving Thursday as he prepared to fly to Germany.

Tribunal Airs Doubts After U.S. Warns 9 On War Crimes

By Raymond Bonner
New York Times Service

WASHINGTON — While the U.S. State Department has warned nine Yugoslav commanders that they face possible prosecution for war crimes, officials of the international war crimes tribunal have raised questions about whether NATO actions match the rhetoric.

"Commanders can be indicted, prosecuted and, if found guilty, imprisoned not only for crimes they themselves commit, but also for failing to prevent crimes occurring or for failure to prosecute those who commit crimes," the State Department spokesman, James Rubin, said at the opening of his press briefing Wednesday.

Mr. Rubin reiterated that the United States would provide evidence in the war crimes tribunal. The NATO spokesman in Brussels, Jamie Shea, has said repeatedly that NATO governments would do just that.

But tribunal officials seemed skeptical about NATO's commitment, and there were also questions as to what the tribunal was doing to gather evidence. Mr. Rubin said that much of the evidence that the United States had against the nine commanders came from interviews with refugees. Villagers have often been able to identify military units operating in an area, and it would not be difficult for NATO to know the commanders of various units.

Noticeably missing from the State Department's list of commanders was the Yugoslav commander in chief and president, Slobodan Milosevic.

But two senior U.S. officials, speaking on the condition of anonymity, said Wednesday that they had no doubt that Mr. Milosevic bore responsibility for the atrocities and should be indicted.

One said he would personally like to deliver the indictment to Mr. Milosevic. He added: "I think there are a lot of candidates that want that delivery job."

The secretary-general of NATO, Javier Solana Madariaga, told the BBC that he would like to see Mr. Milosevic indicted. That is also the view of the supreme military commander of NATO, General Wesley Clark.

One problem the allies face in considering whether to push for the indictment of Mr. Milosevic is political: it would be hard for the allies to negotiate with someone indicted for war crimes.

There is also the question of evidence. The United States has evidence that Mr. Milosevic has sought to build a firewall around himself, to distance himself from indictable criminal acts carried out against Muslims during the war in Bosnia, a senior U.S. official said last week.

Mr. Milosevic has been in meetings where brutal operations against civilians were discussed, but he has allowed his underlings to do the talking, apparently fearing that the conversations might be monitored by listening devices, according to U.S. intelligence. And the United States would be reluctant to turn over information for fear of exposing sources and methods, officials say.

Mr. Rubin said that the State Department would make some information "of an intelligence nature" available to the tribunal, but he did not elaborate.

At the tribunal Wednesday, the deputy prosecutor, Graham Blewitt, expressed irritation with NATO allies' promises to help develop evidence of war crimes. Referring to the statements out of Washington and Brussels that war crimes were being committed and those responsible would be punished, he said, "that causes us some frustration."

Mr. Rubin named the commanders who have been warned as follows:

- Colonel Milos Mandic, 252d Armored Brigade in central Kosovo.

- Major General Vladimir Lazarevic, Pristina Corps.

- Colonel Mladen Cirkovic, 15th Armored Brigade, headquartered in Pristina.

- Colonel Dragan Zivanovic, 125th Motorized Brigade, headquartered in Kosovska Mitrovica and Peć.

- Colonel Krstjan Jelic, 243d Mechanized Brigade, headquartered in Urosevac.

- Colonel Bozidar Delic, 549th Motorized Brigade, headquartered in Prizren and Djakovica.

- Colonel Radko Stefanovic, 52d Mixed Artillery Brigade, headquartered in Gnjilane.

- Colonel Milos Djosan, 52d Light Air Defense Artillery-Rocket Regiment, headquartered in Djakovica.

- Major Zeljko Pekovic, 52d Military Police Battalion, headquartered in Pristina.

BELGRADE: Milosevic Calls a New Tune, a Soft One

Continued from Page 1

var refugees were returning home from the border regions. In Belgrade's official version of events, the ethnic Albanians left their homes either out of fear of NATO bombing or under pressure from Kosovo Liberation Army "terrorists" in order to stage a humanitarian disaster according to instructions obtained from the NATO criminals."

The reversal of the refugee exodus has coincided with moves by Mr. Milosevic to work out some kind of a deal with a moderate Kosovo Albanian leader, Ibrahim Rugova, whose authority was severely undercut by the confrontational tactics pursued by the Kosovo Liberation Army. Mr. Rugova, who has been under government "protection" and is therefore hardly a free agent, has issued several ambiguous statements calling for a negotiated end to the crisis.

Other elements in the Milosevic charm offensive include suggestions from the acting president of Cyprus, Spyros Kyprianou, that the Serbs may be willing to release the three U.S. servicemen captured at the Yugoslav-Macedonian border March 31. While such a step is hardly likely to win over Western public opinion, it would at least partly

counteract the negative images of terrorized refugees streaming across the Kosovo border and demonstrate that Yugoslavia respects international norms of behavior.

The Yugoslav Army press center, meanwhile, took Western television crews down to Pristina on short notice Wednesday to see the destruction caused by NATO bombing. The journalists were taken to bombed-out apartment buildings where there had been civilian casualties.

A journalist on the tour, Brent Sadler of CNN, reported that Pristina seemed like "a ghost town" with few signs of civilian activity among either Serbs or ethnic Albanians. Much of the city center was in ruins, he reported, and a huge column of smoke spiraled up from a fuel reserve attacked by NATO planes.

The announcement by Belgrade of a unilateral cease-fire in Kosovo also seemed designed to win over world public opinion. By tying the cease-fire to the Orthodox Christian Easter this Sunday, Belgrade authorities demonstrated their concern for opinion in Orthodox countries, such as Greece and Russia, which have been most critical of the NATO bombing.

EUROPE/INTERNATIONAL

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Russian Billionaires: An Endangered Species?By David Hoffman
Washington Post Service

MOSCOW — Boris Berezovsky, a Russian financier known for his soft, rat-a-tat speech and endlessly churning political ambitions, stood up at a small dinner party last year, where heads of Western corporations had introduced themselves as "president," "director," and "vice president."

"Boris Berezovsky, Russia," he said. "Unemployed."

Later, Yevgeni Kiselyov, a television anchor who was present that night, asked Mr. Berezovsky what he had meant.

The Russian tycoon replied, "I am an adviser — this is an unpaid job, an adviser to the president's chief of staff — and this is all, in this sense, I am a free-lancer."

Never did a free-lancer move about so freely in the upper reaches of the Kremlin — from President Boris Yeltsin's family quarters, to the office of Mr. Yeltsin's chief of staff, to Russia's biggest television station, to war-battered Chechnya on secret missions, to managing his lucrative interests in oil refineries, airlines, newspapers and more.

So when Mr. Berezovsky was named this week in an arrest warrant by Russia's chief prosecutor on fraud charges, the significance was not lost on the country's political elite.

BRIEFLY**Andreotti Prosecutor Sums Up**

PALERMO, Italy — A prosecutor asked Thursday for a 15-year jail term for Giulio Andreotti, the former Italian prime minister who is accused of acting for decades as Mafia's main political protector.

Delivering final statements in a trial that began in 1995, Roberto Scarpinato, the prosecutor, said that Mr. Andreotti deserved 12 years in prison on charges of Mafia association, and three more because his links to the Sicilian organized crime group had continued for so long.

"Andreotti's contribution allowed Cosa Nostra to pursue objectives that it would not have been able to pursue with its own military structure," he said, adding that he was also seeking a total ban on Mr. Andreotti's holding public office...

Mr. Andreotti, a life senator who turned 80 in January, was not present in the courtroom. But in a statement released from his office in Rome, he said the accusations were void of truth. (Reuters)

U.S. Bombs Iraqi Missile Site

WASHINGTON — Navy F/A-18 aircraft bombed an Iraqi anti-ship missile site on the Al Faw Peninsula on Thursday. U.S. officials said the missile site posed "a direct threat" to U.S. forces in the Gulf.

Nearly all U.S. strikes in the no-fly zone over southern Iraq in recent months have been in response to what U.S. officials call provocations by Iraqi air defense radars or surface-to-air missile batteries.

The trigger for American action Thursday was the repositioning of the anti-ship missile launchers, according to Marine Sergeant John Baker, a spokesman for U.S. Central Command at MacDill Air Force Base, Florida. A statement issued by the command's public affairs office did not say whether the attack on the site had been successful. (AP)

Safety Steps at Frejus Tunnel

MODANE, France — In the wake of the fire that killed at least 40 people in the Mont Blanc tunnel, the French government announced measures Thursday to increase safety at a nearby tunnel on the French-Italian border.

Transport Minister Jean-Claude Gaysot said the flow of heavy vehicles through the Frejus tunnel would be cut to 140 per hour, down from the current peak level of 300 per hour. The speed limit has also been set at 70 kilometers (44 miles) per hour, down from 80 kilometers per hour.

The Mont Blanc tunnel, which links France and Italy, has been closed since the March 24 blaze, and it will not be opened for several months. Almost all traffic has since been diverted through the Frejus tunnel. (AP)

Mayans Win Dress Ruling

GUATEMALA CITY — In a victory for Guatemala's Mayan Indians, who have long been subject to discrimination, education officials have ruled that two students in the mountainous western city of Quetzaltenango can wear traditional dress after a school threatened to expel them for refusing to wear its uniform, officials said.

Mayan groups said the decision Wednesday was the first in which students of Guatemala's Indian majority had won the right to wear traditional dress in a classroom.

Education Minister Arabela Castro had ordered faculty members from the Western National School of Commercial Sciences to allow the students to attend all classes, saying that barring them from wearing the traditional dress discriminated against the women's ethnic identity. (Reuters)

NATO Split Over Targeting Serbian TVBy Craig R. Whitney
New York Times Service

BRUSSELS — NATO's military and civilian authorities clashed publicly Thursday for the first time in the 16-day Yugoslav bombing campaign, disagreeing on whether General Wesley Clark, the alliance's U.S. commander, had the authority to bomb state-controlled Serbian television off the air.

NATO diplomats from three countries said that General Clark had been pressing for authority to bomb Serbian TV and radio transmission towers because, as his military spokesman put it, they were "an instrument of propaganda and repression" for President Slobodan Milosevic of Yugoslavia.

But, according to an authoritative official here, allied ambassadors have not given permission for the military command to hit transmission towers that are regarded as civilian rather than military targets. And the alliance's top civilian official, Secretary-General Javier Solana Madariaga, said that the only tele-

The fact that Mr. Berezovsky — free-lancer extraordinaire, in some ways the most audacious of a generation of hustler-capitalists — could be put on a "wanted" poster was an unmistakable portent.

The addition of the magnate Alexander Smolensky, who once dreamed of building a Bank of America in Russia, to the wanted list only reinforced it.

It was a symbolic sign of the end of a brief era in Russia's tortured struggle to put down roots of market capitalism.

The epoch of seven mighty business tycoons, who sauntered into the Kremlin and brokered their connections into wealth and power, died last Aug. 17, when the ruble was devalued and the economy began to slide.

The plutocrats' club was known here as "the oligarchy," and the crash wrecked their banks. Now many of them are deep in debt and no longer wielding much clout.

But the warrants for Mr. Berezovsky and Mr. Smolensky do not mean that Russia's oligarchic capitalism has suddenly given way to a new, cleaner state where the rule of law prevails.

On the contrary, according to many analysts here, Russia remains trapped in a system of competing financial clans

and weak authority. What is changing are the riches — now more scarce — the players, the stakes and the politicians at the table.

"If you ask me about the end of an era — not yet," said Olga Kryshanskaya, a specialist on the Russian business and political elites. "New oligarchs will come to replace the old ones. If Yeltsin stays in power, then the policy of encouraging the oligarchs will continue, and new ones will appear."

Alexander Lebed, the gruff retired general and now governor of the vast Krasnoyarsk territory in Siberia, who received financial help from Mr. Berezovsky in his election campaign, commented with bemusement that the current attack on Mr. Berezovsky was a symptom of the agony of the Russian ruling class.

"They are all in a pinch and have started sinking each other," he said, calling it a "wretched sight."

A day after the arrest warrants had been issued, many people here questioned whether the announcement was more a vendetta than a housecleaning.

Mr. Berezovsky, bitterly critical of the present-day Communists and their forebears, was known for a freewheeling political style, and he had lately taken

aim at Russia's cautious, Soviet-style prime minister, Yevgeni Primakov.

This week, Mr. Berezovsky said Mr. Primakov "has embarked on a most evil, tragic route for Russia."

Mr. Primakov had vowed to put a few of the oligarchs in jail, and leading Communists in Parliament, who have backed Mr. Primakov, earlier this year accused the "Jewish bankers" of ruining Russia.

Six of the seven oligarchs are Jewish.

"The fight that has started has taken on the form of utter arbitrariness," Mr. Berezovsky said Thursday in Paris.

The oligarchs are "impeding" Mr. Primakov, said Eric Kraus, chief of fixed-income securities for Dresdner Kleinwort Benson, an investment firm here. "Now, the question remains, is this just going to be Primakov's enemies, or are his friends going to start taking hits? Russia being Russia, I would not lay bets on anyone close to him being targeted."

A key sign of their changed status is that the bankers no longer enjoy unfettered political access. When they became wealthy in the mid-1990s, they profited from special favors granted by weak government.

Vladimir Potanin, a one-time Soviet trade official who quickly became one of the country's biggest commercial bankers, invented a scheme, which the



Boris Berezovsky, flanked by bodyguards, arriving at the Hotel Crillon in Paris for a news conference. He vowed never to return to Russia.

government accepted, to auction off choice state-owned factories and mines in 1995 and 1996.

Mr. Potanin bought Norilsk Nickel, Russia's huge producer of metals, and later snagged an oil company, Sidanco.

Mikhail Khodorkovsky, a one-time Communist Youth League leader, got another huge oil company, Yukos.

Mr. Berezovsky also got an oil company, Sibneft.

The auctions were rigged in their favor, participants have since said then.

The oligarchs repaid the favor by un-

derwriting Mr. Yeltsin's re-election campaign in 1996, and further rewards were to come.

Mr. Potanin went into government.

Mr. Berezovsky, too, landed a spot as deputy director of the Kremlin's Security Council.

Their fortunes soared, but they then began to sour when a caustic feud erupted among them in 1997, followed by last year's ruble devaluation.

"It's clear the period of the oligarchs is over," said Mr. Kraus, the German investment specialist.

Ambroise Roux, Influential French Businessman, Dies at 77

New York Times Service

Ambroise Roux, a prominent and influential figure in the French industrial and financial worlds who was a key adviser to Georges Pompidou, president of France from 1969 to 1974, died Sunday at his home in Montfort-l'Amaury in north central France. He was 77. The cause was a heart attack, the newspaper *Liberation* reported.

Mr. Roux's influence was legendary although it was often wielded behind the scenes. After learning of his death, President Jacques Chirac said that Mr. Roux had been "one of the great figures of French capitalism."

Liberation called him "the godfather of management, the éminence grise of capitalism in France." For its part, *Le Monde* said he was "the former éminence grise of Georges Pompidou" and "the person that François Mitterrand," another former president, "spoke with, and listened to."

Until four months before Mr. Roux's death he was president of the powerful French Association of Private Enterprises, which brings together the top executives of the 60 largest private enterprises in France. He was also on the boards of various business concerns.

Earlier, he was director-general and then

president and director-general of Cie. Générale d'Électricité, the French telecommunications, transport and energy conglomerate that became Alcatel. He increased its work force to more than 175,000.

Mr. Roux was a confidant of Mr. Pompidou, who, as soon as he was elected president, began addressing France's economic problems. The measures taken under him included devaluing the franc and imposing a freeze on prices. In the 1970s, *Le Monde* said in its Tuesday issue, Mr. Roux was "also the strongman of management, without whom nothing got done."

He sometimes sounded an idealistic note. In 1974, the French government proposed an austerity program that brought expressions of anxiety from both labor and management. Mr. Roux, then high up in Cie. Générale, declared: "There is one point that I see as positive. The government has chosen to treat the problem of prices through an appeal to the social partners in asking each to make an effort, in appealing to the civic sense of us all."

His nature had some very human aspects. As he put it, he had a "horror of hard intelligence that reduces everything to equations."

Giulio Einaudi, Italian Publisher

New York Times Service

Giulio Einaudi, a doctor, author and founder of the Italian publishing house and built into a European wellspring of fine literature, intellectual thought and political figures throughout Europe. His stable of authors included Carlo Levi, Antonio Gramsci, Cesare Pavese, Natalia Ginzburg, Italo Calvino, Norberto Bobbio and Primo Levi.

In 1933 he founded Giulio Einaudi Editore in Turin, where it still has its headquarters. His fledgling publishing house was in trouble for the duration of the Fascist dictatorship, and he went to jail for 45 days in 1935. But the company flourished with the dawn of democracy. It poured out fiction and nonfiction, art books, the classics and translations of American literature. It also was the first to publish Boris Pasternak's novel "Dr. Zhivago" in 1957, when it was banned in the Soviet Union.

Mr. Einaudi, who had spoken against the creation of NATO, scored a coup in 1964 with a long interview with the Soviet leader, Nikita Khrushchev. It was reported worldwide but did not endear the publisher to the political right at home or to official Washington.

Despite big sales, he voiced concerns as long as 30 years ago about the fate of commercial publishing.

Like other family publishers caught in merger maneuver, Mr. Einaudi eventually was unable to continue alone. In 1994, despite an outcry from Italian writers and intellectuals, control of his house passed to Mondadori, part of the media empire of Silvio Berlusconi, the right-of-center politician and former prime minister. Mr. Einaudi remained chairman.

Bob Peck, 53, an actor who became a veteran of the British stage and film industry, died Sunday of cancer, his associates said. Thursday. The father of three was diagnosed with the disease several years ago. He was well known to audiences of the Royal Shakespeare Company and the National Theater in Britain, but rose to international attention only when he appeared in Steven Spielberg's film "Jurassic Park," in 1993.

2 Killers in South Africa Fail in Bid for AmnestyBy Suzanne Daley
New York Times Service

JOHANNESBURG — Ruling in one of its most emotionally charged cases, the South African Truth and Reconciliation Commission has denied amnesty to the two men who assassinated a popular black leader on the eve of South Africa's first post-apartheid elections.

The 1993 shooting of Chris Hani, leader of the Communist Party and the likely successor to President Nelson Mandela, sent shock waves through South Africa and threatened to derail the carefully negotiated transition from white supremacy.

In its ruling Wednesday, the commission found that the two rightist extremists convicted of gunning down Mr. Hani in his driveway had not met the criteria for amnesty. It found that they had failed to tell the whole truth about the event. And, it ruled, the men had acted without the authority of the political party they belonged to and therefore did not have the necessary "political mandate."

The Hani case has drawn hundreds of spectators during weeks of hearings in Pretoria. The Hani family, the Communist Party and the governing African National Congress fiercely opposed amnesty for the killers.

Janusz Walus, who fired the shots that killed Mr. Hani at his Johannesburg home on Easter morning in 1993, and Clive Derby-Lewis, who planned the killing and supplied the gun, were both sentenced to death in 1993. But their sentences were commuted when the death penalty was abolished by Mr. Mandela's government.

In applying for amnesty, Mr. Derby-Lewis, a former Conservative Party member of Parliament, said he had plotted the killing to create chaos and spark a rightist coup. Mr. Walus, a Pole who fled to South Africa in 1981 to escape from communism in his homeland, said he had killed Mr. Hani to stop Communists from taking power in his new home.

But during hearings into their applications, both fluctuated between combative and overly nonchalant answers. The commission, which has the power to grant amnesty to those who acted with political motive and who confess all, found many of their explanations to be less than truthful.

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Governing World Trade

The World Trade Organization, which is supposed to be the key element of an open and fair international trading system, faces major challenges just as it is on the verge of being leaderless.

The WTO handed down a reasonable ruling this week allowing the United States to raise tariffs on European goods in retaliation for Europe's failure to abide by previous WTO rulings that its banana regime wrongly discriminates against bananas imported by American companies.

Rather than promise to comply, European officials are talking about an appeal of the ruling, although it is final under the WTO system. Instead, Europe should move to comply with the rules in bananas as well as in beef, where it has also failed to carry out a WTO panel decision.

The prime mover in making the

WTO function effectively must be its director-general, who needs to be able to negotiate and arrange compromises at the same time he makes clear that rules must be followed. Renato Ruggiero, who steps down at the end of this month as director-general, has done a reasonable job, but as the beef and banana controversies illustrate, his successor will face a formidable task.

Either of the two candidates — Supachai Panitchpakdi, Thailand's deputy prime minister, or Michael Moore, a former prime minister of New Zealand — might be able to do the job. But there appears to be a deadlock in choosing a leader. The United States is backing Mr. Moore, but has said it would not block Mr. Supachai. Europe is split between the two.

It is imperative that a new leader be chosen before Mr. Ruggiero leaves.

—THE NEW YORK TIMES

Lessons From Rwanda

The Clinton administration has marked the fifth anniversary of the Rwandan genocide by extending condolences to the Rwandan people and urging them to "continue on the path of unification, healing, accountability, reconstruction and reconciliation." This is a fine sentiment, but the administration would do well to direct some of that advice toward itself. Alone among the major players that failed to intervene, the United States has yet to study in any serious way the reasons for its failure and the lessons that might be drawn.

Such an inquiry might prove painful for senior policymakers, starting with President Bill Clinton. But when embassy bombings or other terrorist attacks have claimed American lives overseas, the government has not hesitated to form commissions to affix responsibility and make recommendations to avoid recurrences. The loss of a half-million or more Rwandan lives calls out for nothing less.

From April to June 1994, members of Rwanda's Hutu majority murdered three-quarters or more of the *minority* ethnic Tutsi. Many observers blamed "ancient tribal hatreds" or alternatively, the consequences of a Somalia-like "failed state."

But neither explanation was accurate, according to an extraordinary and exhaustive account published by Human Rights Watch last month. "This genocide resulted from the deliberate choice of modern elite to foster hatred and fear to keep it in power," it argues. Rwanda's state mechanisms, far from being "failed," were efficiently used to recruit, arm and reward killers. And rather than resulting from ancient hatreds, the genocide proceeded from a years-long, well-planned campaign to create divisions among people who, in many cases, had intermarried and lived peacefully together for generations.

—THE WASHINGTON POST.

Saving the Salmon

The U.S. Interior Department has listed nine more species of Pacific salmon and trout as threatened or endangered. The decision, announced last month, is one of the broadest invocations of the Endangered Species Act on record. An entire region will have to alter its lifestyle to comply.

You might have expected the announcement to produce an enormous outcry, the more so because the Endangered Species Act has itself been under heavy pressure lately from an array of critics. Sooner or later, there is bound to be resistance to the listing as its full implications unfold. Thus far, however, the response has been remarkably supportive and benign.

The salmon are a symbol of the natural heritage of the region that has helped to draw the very people who now threaten the fish. Polls suggest that, at least in the abstract, large majorities want to save the fish. The current state and local officials whose job it is to draw up the necessary plans are well disposed.

Because they were given ample notice of the decision, they are also relatively well prepared: and because most of the species are merely threatened and not yet endangered, they have more time and range in which to work out solutions than is often the case when the Endangered Species Act is employed. Even so, they have a complicated road ahead.

—THE WASHINGTON POST

Its First War Is a Sobering Revelation for NATO

By Flora Lewis

PARIS — NATO's 50th anniversary party in Washington this month is obviously going to be a far more difficult and sober occasion than planned. The Kosovo issue will not be resolved by then, though it is possible that combat operations may stop. That depends on Slobodan Milosevic.

But NATO has both to look ahead to what is sure to be long, difficult involvement in the region and to look back on what it has just learned. The campaign thus far has been astonishingly poor.

It is a revelation to learn that the great integrated military machine has to get the permission of 19 ambassadors to target the Interior Ministry police in Belgrade, to deploy attack helicopters against the columns of Serbian tanks and artillery ravaging Kosovo. The planning apparently allowed neither for bad weather nor for Mr. Milosevic's reactions. But then, it was the first time in its 50 years of existence that NATO went to war.

That really was not the intention, which is why the allied campaign started off so badly. The assumption was that big threats — the Cold War mantra of deterrence — would suffice without action, and if there had to be action, high tech would work magic in a jiffy.

We scared ourselves more than Mr.

Milosevic, until his deliberately outrageous cruelty forced the conflict of will from a political calculation to an inescapable moral one.

Clearly there can be no cease-fire leaving his force in place. Whether they have to fight their way in or can roll into what Washington calls a "permissive environment," clearly there will have to be substantial allied land forces — and for years — if the refugees are to be able to return and remake their lives.

Priorities must be clear. First is to provide humanitarian relief. If that means broad dispersal to many distant lands because the impoverished, politically quiescent neighborhood simply cannot absorb so many destitute strangers, so be it for the time being.

But there must be no acceptance of the displacement, which would be a confirmation of ethnic cleansing.

Nor should refugee camps in the nearby regions be allowed to become semipermanent, creating a new kind of Palestinian-type diaspora. That makes the second priority the ouster of all Serbian armed force, including the police, so the people can go home. The Rambo-like compromise can no longer be made available even if this

means depriving the Serbians who remain in Kosovo of their own police protection. That right has been forfeited by the expulsion of Kosovars.

The question of sovereignty, whether to recognize Kosovo independence, can be left in abeyance. As the U.S. secretary of state, Madeleine Albright, said, "the possibility always is that we will have to deal with" Mr. Milosevic. But it could only be an interim arrangement.

Sooner or later, he must be made to account for his crimes and Serbia will organize a new government that can be accepted as a respectable member of the international community. That is not now the case.

So the third priority, which cannot be addressed but must be kept in the back of the planners' minds, is a program for regional security and development, linked to the organizations of Europe.

What has been happening cannot be left to enter history as just another Balkan war, another shift of people and power to be redressed and revenged at some future date when there is a different balance of force. The old rules have been broken. NATO did commit aggression by the classical definition, but not for conquest, not for resources, not for dominance or any such classical purpose, but to oppose barbarous behavior.

New rules need to be developed as a

consequence, rules to encourage rejection of force as the means of solving disputes, rules to promote mutual interests. The European Union is a proof that it can be done. NATO itself, though it was clumsy, badly prepared and uncertain, has shown by its cohesive action in this war and its speedy humanitarian response that this is what it wants to do.

The difficulty of penetrating closed minds should not be underestimated. A young Serbian woman, in Novi Sad, wrote at great length in *Le Monde* how disgusted she was with what she considered CNN propaganda about refugees when everybody knew that if people were having to flee their homes, it was because of allied bombing. NATO, she said, has launched its attack to destroy the Orthodox world.

That will be news in those who buy the "clash of civilizations" rhetoric of the West against Islam. In any case, it is important to make people understand that indeed this was not a war where anybody's "national interest" was at stake, except the common interest of maintaining peace, stability and democracy in Europe.

This is a perfectly clear goal. NATO can and must press on to it. Anything less is failure.

Flora Lewis

The Crackdown on Media Is Keeping Serbs in the Dark

By Jonathan Spalter

WASHINGTON — Reports of the killing of ethnic Albanians in Kosovo by Serbian forces have shocked the world, prompting it to ask one large question: Are the people of Serbia objecting to what their government is doing in their name? After a week during which independent media in Serbia effectively were silenced, the answer is now clear: Most people in Serbia do not know of the outrages being committed by their government against unarmed men, women and children in Kosovo.

The expulsion of most Western journalists from Serbia in the wake of NATO air strikes was widely reported. Less attention, however, was focused on the media crackdown within Serbia, including the closing of Radio B92 — the country's most listened-to independent voice — and the imposition of strict censorship on all other media reporting there.

Within Kosovo, conditions for the media have become desperate. The Albanian-language newspaper, Koha Ditor, was closed. Bajram Kelmendi, a prominent human rights lawyer who defended the newspaper, was murdered along with his two sons. A security guard at the newspaper also was killed. The paper's journalists are in hiding for fear of their lives and their whereabouts are unknown.

The well-planned nature of the crackdown on independent

media suggests that Slobodan Milosevic was planning a new wave of ethnic cleansing in Kosovo before the NATO air strikes. But the recent actions against the media are part of a long-standing pattern. Last week, the Committee to Protect Journalists, a nonpartisan group monitoring press freedom, known as Commando Solo, to broadcast objective and reliable news and information into Serbia on AM, FM and standard TV frequencies.

At the moment, no one knows how many Serbs are receiving objective news reports through platforms such as these. But this important work continues. International broadcasters, both public and private, have expanded broadcasting to the region and are maintaining their relationship with independent media outlets within Serbia.

In addition, courageous non-governmental organizations around the world are taking steps to assist Serbian journalists and others in getting the word out about what is happening in Kosovo. Eventually, because of the nature of modern communications and the use of the Internet, people will learn the truth about events there.

Whatever the views of the Serbian people about Kosovo and its place in Yugoslavia, they surely do not approve of their government killing thousands of innocent men, women and children in their name. Sooner rather than later, the people of Serbia will learn the truth about Kosovo and the awful cost of Mr. Milosevic's policies not only for all of Yugoslavia, but also for the entire region.

The writer is associate director for information and chief information officer of the U.S. Information Agency. He contributed this comment to the International Herald Tribune.

America, Too, Should Take In Refugees From Kosovo

By T. Alexander Aleinikoff and Kathleen Newland

WASHINGTON — To anyone who has seen the pictures of tens of thousands of Albanian Kosovars on the no-man's land outside the Macedonian border, the prospect of now putting 20,000 refugees behind barbed wire at the Guantanamo Bay Naval Base in Cuba ought to be chilling.

The UN High Commissioner for Refugees has asked countries to take in refugees from Kosovo to relieve the pressure on Albania, Macedonia and Montenegro. It is admirable that the United States has joined

that temporary arrangements are necessary less more durable protection be seen as giving to it in ethnic cleansing. But a less praiseworthy motive may lie behind the decision to use Guantanamo. Refugees held there cannot apply for

political asylum under U.S. law, as they could if they were brought to U.S. territory (including Guam).

The refugees should not be taken to Guantanamo. Isolating them in a remote alien outpost is unnecessary and inhumane. Although their basic physical needs could be met at Guantanamo, they will live in a camp under military control — with little or no access to family or other support organizations in the United States. Such con-

finement (a polite word for detention) can only add to their incredible trauma. The United States can readily absorb 20,000 refugees.

President Bill Clinton has the authority to admit the Kosovars to the United States as refugees. This would give them a status that can ripen into permanent residency. It would also make them eligible for an array of refugee benefits, the costs of which are likely to be far less than the costs of holding them at Guantanamo. Because the number of refugees would be less than 3 percent of the total number of persons displaced, it is hard to see how it would signal support for ethnic cleansing — if NATO remains firm in the demand that the Kosovars be allowed to return.

If a less permanent status is preferred, the Kosovars can be brought to the United States and given temporary protected status. In the past, this has been granted to persons already in the United States whose home country is witnessing civil war or natural disaster. It has served, in effect, as a deferral of deportation.

In fact, the United States granted temporary protected status to persons from Kosovo already in the United States as of June 1998 and has just announced plans to extend it to any Kosovar who has arrived there as of this month. But this will not cover refugees.

In contrast, European countries have used temporary protection as an admission program when individual screening of refugees was judged impractical. Several hundred thousand Bosnians and Croats were granted refuge in this manner in the early 1990s.

Admitting the Albanian-Kosovars under temporary protection status would not entitle them to permanent status nor to benefits usually afforded refugees. But it would permit organizations and private citizens who stand ready to provide assistance to give the human as well as material support so desperately needed.

The U.S. government may be concerned that those granted temporary status could extend their stays in the United States by applying for political asylum. But the numbers will hardly overwhelm the system.

Moreover, if NATO is successful in securing a Kosovo to which it is safe to return, then many Kosovars will voluntarily choose to return — or their asylum claim may properly be denied. If NATO is unsuccessful, they are entitled to asylum.

The writers are senior associates at the Carnegie Endowment for International Peace. They contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Motor-Car Mail

PARIS — Two motor cars will commence to carry Her Majesty's mails in London itself, the postal authorities having decided to give the new means of locomotion a fair trial with two motors built by the Daimler Motor Car Company, and when the very busy season arrives a third will be employed.

The cars will be used for the parcel post and for the conveyance of letters as well, and it is certain that their employment in the general service will be an excellent test of their utility. They have quite as great a carrying capacity as the two-horse vans, and each weighs rather more than two tons.

1924: Religious Signs

CONSTANTINOPLE — The French and Italian schools in Constantinople have been closed by Turkish authorities,

as the religious emblems in the classrooms had not been removed in accordance with the recent decision of the National Assembly.

1949: World View

PARIS — Principals of international schools in half a dozen countries met for a conference which marked "the first time in history that any group of school people has sat down to consider the matter of educating boys and girls for an idea of citizenship that includes not only their own country but a sense of responsibility for humanity." All have as a primary objective the development of a world point of view. Among subjects discussed were practical means of student and teacher exchanges, and steps that might be taken to facilitate the establishment of an international secondary school diploma which would be valid for college entrance in any country.

Herald Tribune

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OPINION/LETTERS

Now Is Hardly the Time to Play the Russian Card

WASHINGTON — The Clinton administration was right to reject Slobodan Milosevic's cease-fire proposal. Entering into negotiations now with Serbia, which has largely achieved its military goals in Kosovo before NATO has achieved much of anything, would be an admission of defeat.

So why, then, has Vice President Al Gore called on Prime Minister Yevgeni Primakov of Russia at this moment to work on an agreement with the Serbian dictator? Playing the Russian card now legitimizes Mr. Milosevic's horrendous actions in Kosovo and exposes the weakness of the NATO alliance.

The North Atlantic Treaty Organization and Russia should eventually co-

By Michael McFaul

operate in the Balkans, as they did in Bosnia, but only when it serves the interests of both. Today, such cooperation would serve only the Russians.

Let's not forget Mr. Primakov's similarly inopportune actions during the Gulf War. With Iraqi troops occupying Kuwait, he traveled to Baghdad to urge Saddam Hussein to negotiate a settlement. At the time, Mr. Hussein was all too eager to talk peace since he had already achieved his military goals. We rightly rejected such a proposal.

If Mr. Primakov begins a shuttle diplomacy operation between Belgrade

and the capitals of Europe today, he could create momentum for a negotiated settlement at precisely the moment when it is most convenient for Mr. Milosevic.

In raising a peace initiative now, Mr. Primakov also would strengthen Russia's hand in Eastern Europe. NATO needs time — and probably ground troops — to achieve success against Serbia. Beginning peace negotiations now would doom the Kosovars, make future NATO operations more difficult to muster, and impede future NATO expansion eastward.

It could even help to unravel the alliance altogether. Such an outcome would be ideal for Mr. Primakov and his allies within Russia, who can gain votes

by appearing to resuscitate their country's influence abroad and to diminish that of the United States.

Beyond this, Mr. Primakov will not offer his good offices without a price. At a minimum, he will probably expect more loans from the International Monetary Fund and forgiveness of Soviet and Russian debts. Linking U.S. security interests in Serbia with IMF loans would be disastrous for American foreign policy — and for Russian reform.

First, IMF money cannot guarantee Mr. Primakov's lasting cooperation. As a potential presidential candidate he must be responsive to growing anti-Western sentiment among Russian voters first and Western concerns second.

More important, paying Mr. Primakov to mediate would undermine the IMF as an effective agent of economic reform in Russia. If the Fund cannot credibly commit to the conditions it has already laid down for loaning money, its leverage over the Russian government would be next to nil. This is precisely what occurred in 1996 and 1997, when the Clinton administration made an exception for

Work With Moscow on a Kosovo Settlement

By Celeste A. Wallander

ership that multilateral security cooperation has no future.

The implication would be for Russia to rely only upon its own military power, rather than what it sees as one-sided cooperation. Russia's decision to send a reconnaissance ship, and possibly warships, to the Adriatic is a sign that Russian policy is moving in this direction. The urgent need to occupy, and probably partition, Kosovo is clear. The international community is going to have to impose a settlement.

By its geopolitical position, its economic potential over the long term and its overall military capability, Russia is one of Europe's great powers. It is in NATO's interest that the settlement of the Kosovo crisis be done in cooperation with Russia, under authority of the Security Council. Only in this way will the military mission and the political settlement have the international legitimacy they need.

Is Russian cooperation with NATO possible even now? Yes, because Russia's stake in the crisis has little to do with Serbia and everything to do with Russia's role in European security. Russian objections are not to the use of force per se but to the use of force by NATO, unconstrained by the United Nations and without regard to Russia.

For its part, Russia's security elite has accepted that a humanitarian crisis exists and stop making excuses for Slobodan Milosevic.

An international occupation to partition Kosovo and restore its Albanian population could achieve active Russian support and Russian military participation. While not as modus or as successfully reconstituted for post-Cold War missions as NATO forces, Russian military forces are capable of traditional missions of territorial control and defense and would reduce the need for large numbers of American ground forces.

Intervention with Russia also will be more effective in containing Serbia. By participating on the ground, Russia can reassure itself and its domestic critics that the settlement is being implemented as agreed among the great powers. By involving the Russian military, NATO and Russia can build on the positive experience of the Russian military in Bosnia.

It is a serious mistake not to see the difference between a Russia that cannot do anything to stop the United States and a Russia that actively cooperates in the areas of security that most engage America's national interests. America's leaders should remember that cooperation ended the Cold War.

The writer, an associate professor of government at Harvard, contributed this comment to *The Washington Post*.

inadequate numbers of women in executive offices on the other. Merger mania reigns here as well as in the United States, with talk of the automaker Renault's interest in Nissan and the attempt of Banque Nationale de Paris to take over Société Générale and Paribas in order to create the world's largest banking group.

Even the vaunted French respect for privacy may be diminishing. The aggressively activist gay group Act Up has been pressuring to "out" a member of Parliament who is said to be gay. A leading female tennis player recently announced she is a lesbian.

But for all the things that show how alike we are growing, there is so much more of what makes France so French. Parisians are still arguing about which of the grand schools are grandest — and which of the great wines are greatest. They're still wearing stylish scarves, drinking wonderfully rich coffee and eating sublime three-hour dinners — and sneering at the gauche-ness of a request for ordinary tap water. They're still enjoying a remarkable number of paid holidays — and talking about taking even more time off in order to reduce unemployment.

Only when the "facts on the ground" have changed in favor of the alliance should the Clinton administration entertain cease-fire proposals, or think of letting Mr. Primakov act as intermediary.

The writer, a senior associate at the Carnegie Endowment for International Peace, teaches political science at Stanford University. He contributed this comment to *The New York Times*.

Paris Would Still Be Lovely Without the Curls of Smoke

By Geneva Overholser

PARIS — They say you can't go home again, but to an inhabitant of two decades ago, Paris in 1999 looks as lovely as ever and remarkably the same — except for the cell phones.

Sure, things that make France feel more like America are everywhere. Not just McDonald's, but all the common experiences of similar Western democracies. French newspapers, like American ones, dwell on a sex-in-public-life scandal on the one hand and worry over

MEANWHILE

inadequate numbers of women in executive offices on the other. Merger mania reigns here as well as in the United States, with talk of the automaker Renault's interest in Nissan and the attempt of Banque Nationale de Paris to take over Société Générale and Paribas in order to create the world's largest banking group.

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headlines such as, "When Parents Smoke, Children Cough."

French efforts exceeded American efforts in some ways. Tobacco ads have been off billboards in France since 1993. They are only leaving the American landscape this month, as part of the tobacco industry's settlement with state attorneys general.

It was France that gave us Joe Camel. He was first drawn for a French advertising campaign in the '70s after Mrs. Veil banned the use of live models — a move of uncertain success. Young smokers at the time said that sensual photographs of curls of blue smoke were more appealing than any pair of smoking lovers. "Gitanes have never been so enticing," a young smoker told me then.

In terms of the amount of tobacco consumed per person, America still outranks France considerably. But in the percentage of people who smoke, France ranks higher, though well down from when Mrs. Veil began her campaign. Twenty years ago, more than 44 percent of French adults 18 and over smoked. The rate was down to 33 percent by 1993. In the United States at the beginning of Mr. Califano's effort, the rate was about 35 percent. By 1993, it was down to 25 percent.

No doubt some of the perceived difference reflects varying patterns about where smoking is allowed. Moreover, the rate in Washington, where less than 19 percent of adults smoke, is significantly below the U.S. national average of 23.2 percent. And a World Health Organization official told me that French rates are dropping steadily, thanks to a still-tougher law in 1992. The real story with cigarettes, of course, is decline in the West and rapid gains in developing countries, to whom both French and American tobacco companies export in greater numbers.

Meanwhile, Paris dailies were focusing on a new attitude toward a different and traditionally French health problem, alcoholism. In publishing statistics showing France first in Europe in alcohol consumption, *Le Monde* noted that when such news broke in the past, Frenchmen shrugged, as if overconsumption were in their genes. Now, said the paper, there is greater concern. Who knows? Over the next two decades, Gitanes and Marlboros may disappear, and alcoholism decline. Something else will replace the cell phones. But Paris will always be Paris.

The Washington Post

LETTERS TO THE EDITOR**Alienating Russia**

Who would have thought any of us would live to see the fall of the Soviet Union? And, this miracle having occurred, who would have thought a president of the United States could be so obtuse and stumble-footed as to alienate a Russia that only a few years ago was doing its best — against enormous odds — to adopt an American-style economy and American-style democracy?

With little delay, and apparently no forethought, this foreign-policy unlearned administration invited three former members of the Warsaw Pact to change sides to NATO — embarrassing Boris Yeltsin and giving his political enemies the ammunition they need to appeal to revisionist sentiments, raising the serious threat of returning Russia once more to a state of antagonism to all things Western.

Charles de Gaulle was many things, but slow on his foreign-policy feet he was not. One can imagine that the first thing he would have done would be to agitate for giving Russia a seat in the North Atlantic Council — probably with Russia remaining outside the NATO command structure, as indeed France has been since 1965.

Given the prestige of NATO membership and a voice in NATO political deliberations, Russian political and military egos would have been massaged and the appeal of Russian extremists effectively neutralized. The Romanian and Bulgarian economies would no longer remain stalemated in their reform programs because of the fear of Russian reversion. Nor with Russia a member of the North Atlantic Council, would NATO be subject to fear-driven appeals for members from nations that can contribute little to the common defense, while imposing enormous new burdens and risks on current members.

Moreover, had Russia early been given a seat in the North Atlantic Council, we might well have avoided the current bitterness over NATO's involvement in the Balkans. We will never know whether, with the prestige of NATO membership behind him, Mr. Yeltsin might have prevailed in his negotiations with Slobodan Milosevic. But at least we would have been spared Russia's believing its voice has been ignored.

It was unwise in the extreme to get involved in Kosovo, where U.S. national interests are not directly involved. This was Europe's problem and Europe should have been left to handle it, if it were to be handled from the outside at all. NATO was created for self-defense, not to serve as the world's po-

liceman. The current action has alienated the Russians, the Greeks, the Chinese, most of the members of the Commonwealth of Independent States, and, one can safely assume, Pakistan, India and most of Africa.

It has set an unfortunate precedent for more powerful states to interfere in the internal affairs of weaker neighbors. And it may well have prejudiced the willingness of NATO members to commit their forces in the future. But now that we are there, all must agree it would be disastrous not to prevail.

Perhaps the clouds of the present imbroglio have a silver lining. It may not be too late to offer Russia membership in the North Atlantic Council.

This might assuage the feelings of alienation and bitterness which have accompanied the Kosovo intervention. And it would give Mr. Yeltsin a new and more secure platform from which to renew his approaches to Mr. Milosevic, hopefully permitting

some form of reasonable settlement short of sending U.S. and other ground troops into Kosovo for an indefinite but undoubtedly long stay.

DAVID TIMMINS, Geneva

The writer is a former executive officer of the U.S. Mission to the North Atlantic Treaty Organization.

A Presence in Serbia

In response to the report "Belgrade Keeps Control of Cruss-Border Medio" (April 6):

The independent press has been able to maintain a presence in Serbia thanks to a distribution system begun in July by the Association of Private Media of the Federal Republic of Yugoslavia with funding from the governments of Switzerland, Norway and Germany.

The company, APIM Trans-

Press, has delivered these papers — albeit in censored form — every single day of the bombing along two of its four

routes. The important point here is that, once the era of wartime content is past, these papers will remain as a conduit for alternative information.

LARRY KILMAN, Paris

The writer is director of communications of the World Association of Newspapers, which together with Unesco helped to create the distribution system.

Not 'Cleansing'

Why do we grace the appalling inhumanity in Kosovo with the label "ethnic cleansing"? The process is one of racial persecution by dispossession and banishment. Hopefully the media can introduce a concise phrase that truly conveys the repugnance and condemnation that the process deserves — perhaps "racial banishment," "racial dispossession," "racial deportation" or "racial violation."

MAURICE OSTROFF, Herzliya, Israel

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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

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INTERNATIONAL FRANCHISING

SETTING UP SHOP, GLOBALLY

Franchising has become an international business model.

Franchising is big business today, and that means new challenges for businesses that use franchising as a distribution method. A major focus for highly developed U.S. franchisors is expansion into overseas markets with high potential.

Only 13 percent of U.S. franchisors have operations overseas, according to Marcel Portmann, director of international development for the International Franchising Association. This leaves plenty of room for expansion. In addition, many U.S. franchisors are going public to help them raise funds for expansion.

The time is right, says Leonard Swartz, worldwide managing director of franchise services at Arthur Andersen LLP. "Many companies that use franchising in the United States are finding a saturation of market opportunities, and thus are looking to international markets to continue expanding their business. Also, companies want to go overseas because of the many opportunities there are in new markets."

The granddaddy of franchising may be McDonald's, but the hamburger king has been knocked out of first place in Entrepreneur magazine's Franchise 500 1999 listing of the top 100 franchisors by Yogen Fruz Worldwide, a frozen yogurt franchisor. Other types of franchisors are coming up fast, among them Mail Boxes Etc. (MBE), number seven on the list, based in San Diego. MBE, a wholly owned subsidiary of U.S. Office Products Company, is the world's largest franchisor of retail business communications and postal service centers, with more than 3,700 independently owned centers around the world. All of MBE's international expansion is done through master licensing agreements. Its 1998 sales totaled \$1.4 billion.

Seeking real professionals Frank de Lucia, international franchise director for Sir Speedy, Inc. agrees that business acumen is an essential criterion in the choice of master franchisees. "We're not looking for mom and pop," he says. "We're looking for someone who can put together a team to not only operate a flagship center that can be used as a training center, but also to recruit and sub-franchise. We also want someone who can organize the marketing for that country using the materials that we provide." Sir Speedy, Inc., also in the Franchise 500 top 100, is a California-based franchisor with 818 centers

worldwide offering printing, copying and computer services to small and medium-sized businesses. Its total estimated 1998 sales amounted to \$500 million.

After traveling around the world to investigate potential markets for MBE, Mr. Holt has found that the company's concept works in both highly developed markets like Canada as well as in underdeveloped markets like Venezuela, where in spite of economic and political ups and downs, there exist some of the highest sales in MBE's system. Even after Mexico's financial crisis, MBE continues to thrive, with 58 centers located in the country. In Europe, Italy is MBE's most successful market. "The conclusion I've drawn," says Mr. Holt, "is that MBE works just about anywhere you put it if you have the right master licensee and the right people driving the business."

One factor he says that must be taken into consideration is that costs can be higher overseas. According to Mr. de Lucia, the cost of opening a Sir Speedy abroad is between 10 percent and 15 percent higher than in the United States. "We try to organize our vendor packages according to the vendor support offered in each country to keep the costs to a reasonable level," he says. "We will help out if we can purchase the equipment in the United States cheaper than if the master licensee tried to buy it in his or her country. We would then ship everything to the franchisee, and the shipping costs would be passed on to the franchisee. The key thing for us is not so much that they have the equipment — it's that they have the support from the vendor."

One of Sir Speedy's biggest overseas challenges, Mr. de Lucia adds, "is to match up the vendors and the equipment to meet the specifications of a Sir Speedy. The corporate office helps with all of it from start to finish."

To U.S. franchisors in similar market niches who are considering overseas expansion, Mr. de Lucia offers this

advice: "You can't just take a system that works in the United States and put it into an overseas market and expect it to work. You must devote the talent, the resources and money to adapt the concept to fit the international market. You should be prepared to find the right vendors and resources in order to make sure that your system works as successfully overseas as it does in the United States. If it doesn't work in all localities, it will affect your brand."

Mr. Swartz agrees that products and services must be adapted to meet the local marketplace, "from a customs, religious and taste point of view." He defines the most important factors for the success of a franchise overseas as sound and profitable business at home, adequate financial resources, dedicated international team patience, the ability to listen and adapt, regular international visits and the right partner to work with in a foreign market.

Mr. de Lucia sees a flattening in the market right now because of the economic crises in Asia and Latin America, but he remains optimistic about the industry's future: "The economy is the nut to crack right now," he says, "but we are confident that the right partner is out there — it's just a more conservative atmosphere. We are not seeing that business-to-business needs have been reduced — we just see a more conservative nature for an investor. Growth expectations are currently conservative."

A recent survey, Mr. Swartz says, shows that U.S. franchisors are most interested in North American markets outside the United States followed by Western Europe and Latin America. MBE currently concentrating sales efforts in Northern Europe, South Korea and the Caribbean, while Sir Speedy is looking at Japan, Korea and Europe.

Heidi Ellis

DO THE FRANCHISE SHUFFLE

Franchising keeps up with the fast pace of today's business environment.

With companies merging and being sold at dizzying rates, franchisees fear that management changes may affect their bottom line, particularly if a new company lacks franchising experience or franchises become only one part of the corporate mix.

"It depends on how changes are executed," says the International Franchise Association's Don DeBolt. "Most franchisors recognize that value is in the brand name and consistency, and that value and service exist at the consumer level. So maintaining those assets intact has to be at the top of the list in any acquisition."

When Tandy Corp. sold its Computer City and Incredible Universe operations to concentrate on its core RadioShack stores, the company was bucking the multicorporate franchise trend. "RadioShack is Tandy," says Leonard Clegg, RadioShack's dealer franchise vice president. "If you're looking for new formats, forget it."

Aware of market saturation, RadioShack Select was conceived to permit stores to open a RadioShack as a storefront-in-a-store.

Blimpie Subs & Salads is taking the opposite route, preparing to roll out three new concept restaurants. Pasta Central, Maui Tacos and Smoothie Island are all on offer to existing franchisees who want to "co-brand" locations. "We have looked in-

to expanding the Blimpie brand, but the challenge is that Blimpie stands for sandwiches," says the group president, Joe Morgan.

Smaller franchisors generally buy or introduce compatible franchise concepts. In the midst of acquisitions or brand-building, a franchisor must reassure its existing franchisees. "There is a defensive process," says AFC Enterprises, Inc.'s chief executive officer, Frank Belatti.

Belatti's acquisition last year of Seattle Coffee Company and Cinnabon store. By acquiring franchise concepts that can be co-branded with existing outlets, Mr. Belatti adds, "We don't have to overbuild a franchise in any market."

Do franchisors resent company selling competing franchises in the same area?

The message from management to franchisees must be clear, he adds: "We take the impact as seriously as you do. Our vehicles for growth are the same as yours. It's important they understand that we are very franchise-oriented."

What really interests franchisees, however, is the possibility of becoming "multiconcept" players, illustrated by the co-branding of Popeyes Chicken & Biscuits restaurant, one of AFC's

International Franchise Expo Starts

From April 9 to 11, the Washington, D.C. Convention Center is host to the International Franchise Expo, the "World's Premier Franchise Event," sponsored by the International Franchise Association. The expo offers approximately 300 exhibits, ranging from well-known brands to the up-and-coming. Visitors can sample products and services, and meet the seasoned executives behind the companies. Ask-track comprehensive curriculum of seminars and symposia are to be presented by industry experts, and will provide in-depth coverage of key franchising issues.

flagships, with Cinnabon. Many franchisees may already own a piece of real estate too small for Popeyes, but perfect for the smaller Cinnabon store. By acquiring franchise concepts that can be co-branded with existing outlets, Mr. Belatti adds, "We don't have to overbuild a franchise in any market."

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The Dwyer Group consists of six home-service franchises. Each franchise in the group represents the same customer base, so multiple franchises are a distinct possibility. Franchisees are "always fearful when adding a concept, [about] who gets the most attention," notes Diana Dwyer-Owens, the company's chief executive officer. "But as the Dwyer Group grows, they grow. It gives the franchisees more opportunity. If there are only two franchise companies, then they're not as strong as seven concepts."

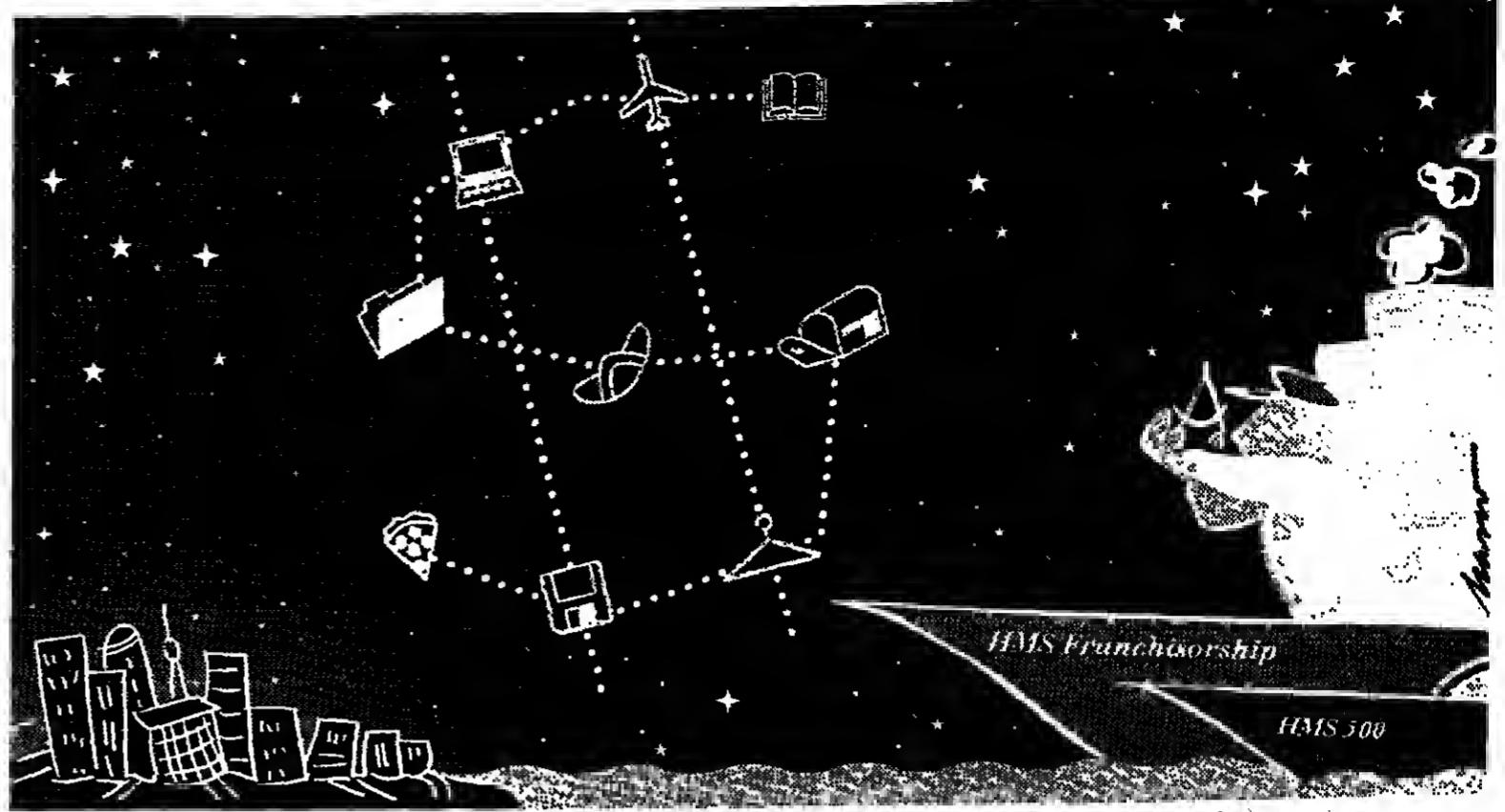
Tricon Global Restaurants provides an example of a franchise being spun off from, rather than merging with, a conglomerate. The company, which left PepsiCo two years

ago, has Pizza Hut, Kentucky Fried Chicken (KFC) & Taco Bell restaurants around the world. Tricon has continued to begin selling off its remaining company-owned stores to franchisees. "Franchisees closer to the customer are better able to run the restaurant," says Tricon's president, David Novak, who, president of KFC and P.F. Chang's before the spin-off, represented management's commitment to the franchisees.

"We are now a focused restaurant company," Mr. Novak says. "We have distractions." As proof, relationships with franchisees have improved, he says. "Same-store sales increase all three brands in 1998 for first time in 10 years. It's important, Mr. Novak says. Tricon has coordinated franchisees. Formerly, a brand was a separate corporate fiefdom operating itself. Taco Bell sometimes found itself in the situation of bidding against KFC for piece of real estate. Today, combined brands can exert collective clout when buying supplies or property.

Mr. Belatti stresses the vantages of a conglomerate.

"We continue to generate efficiencies that ultimately wind up positively affecting franchise operations," says AFC, thinking adding more franchises to company's already formidable roster? "We're always kicking the tires," he says Steve Weins



Franchisors have been able to chart a smooth financial course, allowing them to compete with Fortune 500 companies.

According to Mr. Swartz, the pitfalls that franchisors must watch for in overseas markets include "franchising with insufficient financial resources, lack of long-term planning, poor implementation, failure to adequately screen potential franchisees and the selection of a weak trademark."

To U.S. franchisors in similar market niches who are considering overseas expansion, Mr. de Lucia offers this

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With franchising such a well-established business practice — there are 600,000 franchise operations in the United States alone, according to the International Franchise Association — do any unfulfilled niches remain?

According to IFA President Don DeBolt, the mantra for the kind of franchise that can grow has become "anything time-saving." As dual-income households become increasingly common around the world, he says people generally have more disposable income and less time. Blimpie Subs & Salads, for one, hopes its new concept, Pasta Central, will appeal to working parents by offering complete meals as well as more traditional eat-in restaurants and single-portions takeouts.

Creative ideas...

Environmental responsibility is another important development spurring industry diversification. Naut-a-Care, for example, is a franchise of marina-roving barges that change a boat's oil without having to put it in dry dock. As well, consumers' concerns about recycling are increasing. Mr. DeBolt says, and parents are becoming more bargain-conscious — especially when they have young, fast-growing children to buy products for. Grow Biz International, a multiconcept franchisor, has developed three franchises that buy and sell used goods, keeping still-serviceable items on the market and out of the landfills — as well as creating bargains for the shopper. For the ath-

letes in the family, there is Play It Again Sports, recycling used (or, as is often the case, unused) sports equipment. The technophile can find less up-to-date, but still useful, computer equipment at Computer Renaissance, and Once Upon a Child solves an age-old problem by buying and selling outgrown children's clothing.

—and helping hands

AquAid Franchising Ltd., a British-based supplier of water coolers with combined annual sales of around \$2.25 million, is an unusual franchise with a charitable mission. For every bottle of water it sells, 65 cents goes to the charity Christian Aid for Third World water projects.

Says Paul Scarfe, managing director of AquAid, "Every

year, each water dispenser that we site raises enough money to hire two children in a country like Ethiopia water for the rest of their lives."

The company is currently looking for master franchisees in nine West European countries. "We intend to establish links with leading charities in each of the countries where we establish a master franchise," says Mr. Scarfe.

Another new kind of service being offered by franchisors is security. Mace Security Center (retail stores), Security World International (personal, auto and home protection systems) and Safe Not Sorry (childproofing, senior care and pet control) are franchises addressing growing global concerns for personal and property security.

*Many franchisors have their sights set on maintaining a strong presence on Wall Street.*

Another travel agent, Global Travel Network, grants master licenses, but also has expanded overseas by converting existing travel agencies into franchisees (as in Greece), or by granting a license to already-existing agencies (as in Morocco). Global Travel Network Executive Vice President Stephanie Abrams believes that franchises must be more flexible if they want to expand into overseas markets.

"We're looking for good businesspeople, however they come about," she says. Sometimes geography can constrain growth. Le Croissant Shop cannot go west of the Mississippi River because raw, frozen dough does not travel well, explains Arnaud Thieffry, vice president of operations. The company has explored co-branding, in which more than one franchise operates in the same location, but Mr. Thieffry says their small shops cannot support more than one franchise in the same location.

Broad appeal
Some companies expand their existing brands by purchasing a franchise that complements the existing one. After Atlanta-based AFC Enterprises, Inc. bought Cinnabon and Seattle Coffee Com-

pany last year, AFC's meal-based franchises, Church's Chicken and Popeyes Chicken & Biscuits, broadened their appeal. "We try to acquire products and brands with high brand appeal," says Frank Belatti, AFC's chief executive officer. "They're also highly franchisable and carry wholesale and grocery applications beyond retail." Like these two franchises, Pasta Central also carries grocery items. Joe Morgan, Blimpie's group president, calls this trend a "grocer," combining aspects of a typical restaurant with a grocery store or gourmet deli.

S.W.

A FRANCHISE'S BEST FRIEND: THE HAPPY, LOYAL CUSTOMER*They're out there somewhere, and franchisors are aware that with all the shopping possibilities today, they must win, and keep, the consumer's heart.*

Faced with a wealth of choices — from catalogues to outlet stores to the Internet — consumers are becoming harder to woo. "Consumers continue to be more and more fickle," notes Bill Fromm, chief executive officer of Kansas City-based Service Management Group, which measures customer satisfaction for several franchises. "The challenge is to build relationships." With brand loyalty a relic, franchisors face the same problems as other consumer companies in today's highly competitive marketplace.

The local level
The true strength of the franchising industry lies not at corporate headquarters, but at the "franchisee branch office," according to the International Franchise Association's Don DeBolt. An entrepreneur brings a spirit of ownership to his franchise that the manager of a company outlet never match. These owners also value customers all the more because their investment — often their life's savings — are tied into their business.

Franchisors may have one big advantage: Their local managers will not play the role of company yes-men. "The big difference between franchises and company-owned stores is the sales process of the marketing plan," Mr. Fromm says. "They have to persuade independent businesses to go along with the company plan." This also means that franchisees are not afraid to buck management.

On the other hand, franchisees "push back ideas," Mr. Fromm adds. "They are closer to the customer in some instances, and the franchisor is advised to follow their lead."

Teamwork in research
Franchisors also use the franchisee to help gather customer information. At every Fairfield Inn, as part of the checkout

process, customers answer questions, and the information gathered is passed along to the marketing department.

"Customers can begin to be taken for granted," warns Stephanie Abrams, executive vice president of the Global Travel Network. "We try hard not to forget that the customer can 'fire' us at any moment by taking business elsewhere." The Global Travel Network builds customer loyalty with a frequent flier-type program — every dollar spent earns an additional mile toward a new trip.

Franchisors use the Internet to scout another elusive customer — the prospective franchisee. With the solid economy and low unemployment, "[people are] less likely to seek other

ways to further their career objectives, such as franchises," Mr. DeBolt says. Several companies report franchise sales resulting from leads found on the Internet.

Those newly minted franchisees become part of an industry in which customer loyalty is essential to survival. According to Mr. Fromm, customer loyalty is greater among franchises than corporate stores, which is why some companies convert outlets to franchises. "Generally, when you see franchisors who have both company stores and franchisees, the franchise stores operate with better numbers," Mr. Fromm says, "because senior management is closer to the firing line."

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Leisure

Into the Mists of Borneo's Kinabalu

By Thomas Fuller
International Herald Tribune

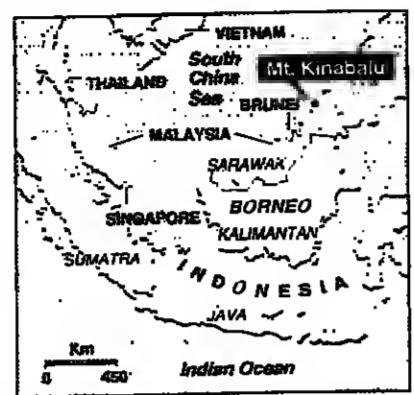
AMAN KINABALU, Malaysia — It is a peculiarity of the human race to spend time and money on things that cause pain. Sometimes this is called a vacation.

That's just one of the thoughts that raced through a climber's mind during the relatively quick, but brutal ascent of Mount Kinabalu, one of Southeast Asia's tallest mountains. Another thought: If you like the Stairmaster, you'll love Mount Kinabalu.

By Himalayan standards Borneo's highest peak is a humpy trail. By the standards of just about anywhere else it's a serious contender. At 4,095 meters it's almost as tall as Mont Blanc in the French Alps.

But unlike Western Europe's highest peak, you don't need any sophisticated gear to get to the top. It's cold, but there is no snow to contend with. Kinabalu's trail is beautifully maintained with wooden railings and ropes and — remarkably — a flush toilet about every kilometer. There's a rest house half way up that serves decent food and hot and cold drinks.

And that's what's so difficult about Kinabalu: its deceptiveness. The trail is straightforward, but it challenges the fitness of visitors with an unrelenting climb, 8.72 kilometers straight up. The path almost never levels out, just contours up and up like a giant staircase. (Also, unlike Mont Blanc, there's no cable car to bring you half way up the mountain before you start your climb.)



degree view of Borneo's rainforests and the edge of the South China Sea. Kinabalu gives climbers this spectacular view, but only on her own terms: Soon after the sun comes up, clouds and mist often gather around the summit, reducing visibility to a few dozen meters. So the best time to reach the top is just before sunrise, which requires a dark, predawn trek across the moon-like rock face to reach the sunburst

by 6 A.M. It is not difficult to understand why for centuries Mount Kinabalu has held a special place in the traditions and rituals of the people of northern Borneo. There is a weirdness in the way the mountain seems to attract and cling to all the mist and clouds of the area.

To the Kadazandusuns, the dominant ethnic group of northern Borneo, Mount Kinabalu is the place to which the spirits of the departed travel, a shrouded summit that claims their dead.

And if recorded history is to be trusted, they wanted Mount Kinabalu to stay that way — a place where only imagination and spirits traveled. The mountain is a million years old, but the first recorded ascent was by a British man in 1851.

Hugh Low, an adventurer with a taste for botany, led an expedition to the top and gave his name both to the summit (Low's Peak) and several plants he discovered along the way.

AN EASIER TIME OF IT The climb up Kinabalu today, of course, requires none of the bushwhacking Low and his fellow climbers endured to reach the top.

At base camp, there are climbing fees to pay, reservations to make for a bed in the half-way hostel and a mandatory guide to hire. Visitors then hop in a van that zigzags up the unimaginatively named Power Station Road to the trailhead. From there, it's a straight, sweaty 6-kilometer climb through thick jungle, lifting cramped legs up the rocky path.

Unlike other mountains that reward climbers with spectacular and galvanizing views in the early stages of an ascent,

Kinabalu hides its splendor until a few hours from the top. Most views through the trees are obscured by the almost constant mist that hovers around the base.

A few hours into the hike the trees become shorter and the undergrowth sparse. And as the jungle thins out, so does the air. The change in atmospheric pressure can make an air-tight bag of cashew nuts swell up like a balloon.

Less than three kilometers from the summit is the hostel where climbers usually spend the night in Spartan dormitory rooms. The hostel's restaurant has decent food, beer and plenty of hot tea. But sleep comes fast at high altitudes and nearly everyone is in bed by 8 P.M.

A few hours past midnight the hostel comes alive again, breakfast is served and several dozen groggy climbers, wearing winter coats, hats and gloves, drag their sore muscles out the front door.

With flashlights illuminating their path, the climbers form a constellation of flickering lights up the side of the mountain. It's about four hours to the summit, with short steps and deep breaths. The air is crisp and the rock face eerie, lighted only by the moon and stars.

As the sun comes up, it fills the sky with reds, oranges and yellows, lighting the weird rock formations nearby and the jungles far below. Whipped by the wind that comes up with the sun, climbers begin the long hike down the mountain, a 9-kilometer, knee-breaking descent.

Trekking up the mountain is the next batch of visitors, sweating, panting and wondering why they spent time and money to put themselves through such pain.



Thomas Fuller / International Herald Tribune
Trekking past South Peak on the way to the summit of Mount Kinabalu.

Tasting the Drama of Jerusalem

By Deborah Sontag
New York Times Service

JERUSALEM — The typical tourists to Jerusalem fill their days with official sites — from the Yad Vashem Holocaust memorial to the Al Aqsa Mosque — because there is so much history to be seen. But the real, throbbing, conflicted city often gets overlooked.

Jerusalemites like to appreciate their hilltop city in two ways: by rising above it, in the perpetual search for the best view, and by plunging deep into its diverse neighborhoods. To listen to locals describe the special light of the city as it glances off the white stone buildings is to hear a rhapsody of affection; to watch them argue city politics over a pile of figs in the marketplace is to see a different, more complicated kind of passion.

Perhaps the most engaging way to stand above the city and at the same time explore the line between East and West, ancient and modern, is to walk the walled ramparts of the Old City's walls. They offer panoramic vistas and glimpses into the private workaday world within. Think of it as an initiation: an overview and a tease before you explore such neighborhoods as the ultra-Orthodox Mea Shearim, the Arab parts of East Jerusalem or the trendy, secular German Colony.

Stand at the Damascus Gate, above the market where old women sell hunches of mint, and work your way around. From within the Old City, it is hard sometimes to see beyond the tourist stalls and the pesky, would-be guides. But when, from the walkway, you peer inside at the strings of laundry hanging like necklaces between satellite dishes, you realize that this is small, teeming metropolis 40,000 people — Jews, Christians and Muslims packed together — a unique social experiment in a stunning setting.

Israel is in the midst of a volatile campaign leading up to the May 17 elections, in which the identity of Jerusalem is the subject of fierce debate. The posters, the rallies and the politicians are everywhere now; that is the living event of the moment.

There is also a string of important holidays. At 11 A.M. on Israel's Memorial Day, which this year falls on April 20, a two-minute siren will sound and life in Jerusalem will halt. Drivers will step from their cars and workers from their offices to participate in a

national minute of silence for Israel's many fallen soldiers.

Then, starting at sunset on April 20, the mood shifts dramatically as the country ushers in its Independence Day. It is Jerusalem's biggest party of the year. At almost every plaza, including Independence Park and Zion Square downtown, Israelis get together for folk dancing, free concerts and hourly fireworks displays. Everyone wears outlandish hats and swirls noisemakers. Be warned: It is a custom to bop people on the head with plastic hammers and spray them with Silly String.

The sprawling Israel Museum, with exhibits ranging from fragments of the Dead Sea Scrolls to video art, considers itself Israel's Metropolitan Museum of Art. Visitors can lose themselves there for a full, varied day: children love the youth wing and the climb-on sculptures in the playground. Through June 8, "Magic Loops" features a display of rare carpets on loan from Turkey. From May 28 through the end of the year, "Drink and Be Merry: Wine and Beer in Ancient Times" explores drinking practices in antiquity. The museum is on Ruppin Way near Parliament.

On May 5 at the Jerusalem Theater, 20 Marcus Street, Shlomo Artzi, one of Israel's most popular singers, will perform. His style is folk-rock; the lyrics are in Hebrew and it is a consummate Israeli experience.

SEEING THE SIGHTS

After walking on the walls of the Old City, try plunging beneath. The tunnels under the Western Wall can be toured with a guide. The tour, winding through ancient aqueducts and quarries, explores the underground remains of the Temple Mount, as excavated so far. Emerging from down below, you are at the Western Wall, a moving religious experience for some and for others a fascinating glimpse of the ultra-Orthodox in swaying prayer — or on the Sabbath, in joyful song and dance.

There is almost too much to absorb in the Old City, not only the clash of different cultures — Armenian, Jewish, Christian and Muslim — but also of commerce and faith. On the Via Dolorosa, where you often see Christian pilgrims dragging a giant crucifix through the Stations of the Cross, you can also sample the most delicious hummus in the city. You

can buy the latest Reeboks in the Muslim quarter, then ascend to the Dome of the Rock, where Islamic prayer and music mingle inside the gilded octagonal structure. The excellent Tower of David Museum, near the Jaffa Gate, gives a great overview of Jerusalem's history, with artifacts, holograms, videos and dioramas. Try investigating neighborhoods, too. Wander the German Colony, near the railway station, with its boutiques, wine shops, art cinema and sushi bars, to get a taste of fairly affluent secular Jerusalem. Or venture, respectfully and modestly dressed, into Mea Shearim to see the modern-day version of an old shetl. Walk up Agrippas Street to the Shuk, or Mahane Yehuda open-air market, where you can buy olives or apricots, or pub-hop in the Russian compound.

GETTING A BIT There is only a handful of fine restaurants in Jerusalem, but many pleasant ones in great settings, and some genuinely funky dirt-cheap places in colorful neighborhoods.

Many consider Arcadia, in an alleyway off 10 Agrippas Street, to be the city's all-around class dining establishment. Set in an elegant old stone house with courtyard, it offers inventive

cuisine that makes good use of local ingredients. For starters, there is a

pumpkin soup, richly spiced with oranges, cinnamon and cayenne pepper, or a cold vegetable terrine that layers goat cheese with eggplant, dried tomatoes, grilled peppers and Swiss chard; for entrées, red mullet fillet on a bed of white beans; and for dessert, a fig tart filled with almond cream. Dinner for two with wine comes to \$125.

Darna, at 3 Horkenos Street, is a strikingly beautiful Moroccan restaurant, and its ornate casbah-like decor, with materials and workers from Morocco, a former enemy of Israel, is a culinary dividend of the peace process.

Costumed waiters offer gracious service to Western-style tables or low-slung banquets piled with colorful pillows. The cuisine combines savory and sweet flavors. Specialties include

the traditional pastilla, a flaky pastry

filled with chicken and almonds, and tagines (stews) of meat, fish or chicken

cooked with fruits or vegetables. Dinner for two with wine is about \$100, and a sampling menu is \$43 each.

Jan's Tearoom, 5 Chupin Street, is fun. In an Ali Baba-style cave hidden

sauces is \$33.

CAP A STROLL through Mea Shearim with a crispy ball of fried chickpeas at Shlomo Falafel, in the heart of the neighboring Bukharan Quarter on David Street. It is the oldest falafel stand in Jerusalem. The current proprietor is the third-generation Shlomo. He sells two balls for 25 cents; for splurges, an oversized Iraqi-style pita with falafel, assorted salads and tahini

sauce is \$3.

MOVIE GUIDE

BELLE-MAMAN

Directed by Gabriel Aghion. France.

Grandma Nicou (Line Renaud) is gay, her girlfriend Brigitte (Stephanie Audran) is quite mad, her daughter Lea (Catherine Deneuve) is a very free spirit and her granddaughter Severine (Mathilde Seigner) is an upright lawyer — it can happen in the best of families. This is an ideal dysfunctional family. Gabriel Aghion tells us, in a camp comedy of mores in modern France. On Severine's wedding day, her husband, Antoine (Vincent Lindon), falls for his mother-in-law. When the couple flies off to Martinique, *belle-maman* is again the main attraction: she soon becomes an obsession. Of course, there would be no "Belle-Maman" without *la belle Deneuve* who relishes a free fall from ice-queen heights. Poor Severine got all the wrong genes. When Lea sings at Grandma's birthday, you can't help thinking of the young Deneuve in "Les Parapluies de Cherbourg," another kind of mother-daughter story. Renaud is fun as foul-mouthed grandma. Danièle Lebrun is exquisite as the alcoholic other mother-in-law, and Seigner comes off her lawyerly perch and turns out to be as crazy as the best of them. Daniel Thompson wrote the script with Aghion. They try to keep tripping the light fantastic, but run out of comic inventiveness. We grow weary of dirty jokes in repetition, lulls and lapses. And then there's that cell phone beeping away, a reminder of maddening modern communication, until it becomes so intrusive that someone finally flushes it down the toilet. In this comedy, the style runs to anything goes, and there goes the magic. (Juan Dupont, IHT)

COOKIE'S FORTUNE

Directed by Robert Altman. U.S.

The sweet assurance and guerrilla wit of Robert Altman's vintage ensemble films make a serenely captivating return with "Cookie's Fortune." In this seamlessly copacetic treat, Altman once again dreams up a well-rounded community of symbiotic oddballs, then effortlessly lures the viewer into their world. With a fine cast working on a single, nicely eccentric wavelength, he and the screenwriter Anne Rapp turn picturesque Holly Springs, Mississippi, into a hotbed of grudges, power struggles, family secrets and historical footnotes, all presented with the same rueful overview. "On this site in 1897," reads a sardonic sign in the local liquor store, "nothing happened." "Cookie's Fortune" enjoys every bit of mischief that Holly Springs has to offer. It especially notices the racial contrasts. The film opens in a blues club where a sultry black singer (Runy Wilson) makes the atmosphere instantly inviting; then it checks out what the white folks do for entertainment. At the local church, rehearsals are in full swing for a play about Salome and John the Baptist ("Excuse me, head coming through!") says the prop man) under the aegis of Camille Dixon, played by Glenn Close as a ladylike monster who insists on sharing a writing credit for "Salome" with Oscar Wilde. The film has its own Salome story waiting in the wings. But first it must introduce the beautiful friendship between good-hearted Willis Richland (Charles S. Dutton, appealing and rock solid in this central role) and crusty Jewel Mae (Cookie) Orcutt (played

touchingly by Patricia Neal in a rare screen appearance). The film teases its audience with the possibility that a black man may be breaking into a wealthy old white woman's house in the middle of the night, but in fact it's only Willis stopping by on a friendly basis. These two have a cozy rapport of long standing. Willis is closer to Cookie than any of her white relatives happen to be. Camille, played diabolically well by Close, barges resentfully through the story, annoyed by the wealth of her Aunt Cookie, the plain dizziness of her sister Cora (Julianne Moore) and the general existence of Cora's tomboyish daughter Emma (Liv Tyler), who prefers working with catfish to any daintier profession. Tyler, who fits right into the Altman ensemble style, makes it easy to understand why Emma is admiring by a police rookie (Chris O'Donnell) and a Peeping Tom (Lyle Lovett) with equal ardor. Though the film is loaded with local color, it doesn't drift into the vagueness that has weakened Altman's secondary work. Nor does it strain for humor or purpose the way, for instance, "Pretty Woman" did. Unlike his evocative John Grisham film, "The Gingerbread Man," this one does not unfold on unfamiliar terrain, preferring instead to rekindle the attitudes of his wonder years in the 1970s. If "Cookie's Fortune" is lighter and less haunting than Altman films of that era, it is also more tightly plotted and direct. The director absolutely shepherds this story through, assuring outrages and revelations until it arrives at a lovely finale, one that gives each character exactly what he or she deserves. (Janet Maslin, NYT)



Catherine Deneuve and cast in a scene from Gabriel Aghion's "Belle-Maman."

JOHN L. BROWN



GOOD TRAVEL DEALS

GETTING THERE

NEW ZEALAND Singapore to New Zealand Fly-drive-stay package for 1,188 Singapore dollars (\$885) per person, twin sharing, includes round-trip from Singapore to Auckland and the choice of three days' car rental and three nights' accommodation or six days' car rental or six days' accommodation. For travel until July 31. (65) 535-5912.

EQUATORIAL Shanghai "Festival Package" rate \$80, double or single, in "deluxe" room (\$40 more for upgrade to studio suite) includes use of health club and pool, shuttle to Oriental TV Tower, The Bund and Yu Garden, 2 P.M. check-out. Until Aug. 31. (86-21) 6248-1688.

LUFTHANSA London to Vancouver Round-trip for £229 (\$366). Minimum stay seven days — maximum stay 1 month. For departure by June 30. Trailfinders (44-171) 937-5400.

QATAR AIRWAYS London to Dubai Round-trip for £247 (\$395) from London Heathrow. Some conditions apply. For departure from April 11 to June 30. Trailfinders (44-171) 938-3366.

SWISSAIR China to Switzerland Round-trip from Shanghai or Beijing to Zurich for 6,300 yuan (\$760). Until May 15. (86-21) 6375-8211 or (86-10) 6512-3555.

WHERE TO STAY

DUKES London Ten percent discount on singles, £168 (\$265), and doubles, £180, to IHT readers who mention this offer when they book. Until May 31. (44-171) 491-4840.

GLENNEAGLES Scotland "Perthshire Package" for £290 (\$464) per person per day includes VAT, full board, use of fitness center and spa treatments, unlimited access to sports — golf, clay-pigeon shooting, falconry and horseback riding. Until April 30. www.glenneagles.com

GRAND HYATT Hong Kong "Privilege Plan" rate of 2,150 Hong Kong dollars (\$277) for a garden-view room includes airport transfers, pressing of one suit on arrival and free laundry, breakfast, free local calls, 6 P.M. check-out, 15 percent off business-center charges and no supplement for double occupancy. Until Dec. 23.

MILLENNIUM GLOUCESTER London "Spring Special" two-night weekend package for £99 (\$158) a night for two people includes English breakfast, VAT and a bottle of Champagne in the room on arrival. Until April 30. (44-171) 331-5195.

THE REGENT Thailand Four-night "Discover Thailand" package for \$920 per person (twin sharing) includes two nights in a mountain-view suite at the Regent resort hotel in Chiang Mai, with use of tennis club and spa, and two nights at the Regent Bangkok, with use of fitness center and pool. Plus American breakfast and airport transfers for both properties. Until Sept. 30. (66-2) 254-6930.

SHANGRILA Harbin, China Opening rate of 40 percent off all rooms includes breakfast. Until May 31. Compiled by Roger Collis. Although the IHT carefully checks these offers, please be warned that some travel agents may be unaware of them, or unable to book them.

BOOKS

LITTLE GREEN MEN

By Christopher Buckley, 304 pages, \$24.95. Random House.

Reviewed by Carolyn See

JOHN BANION, a tedious but covetously sweet Washington pundit in his late 40s, is out practicing his golf stroke one day when he finds himself jiggled up into a flying saucer, poked, prodded and "stretched" in a most unsettling fashion, and then dropped back down onto the lush greens of the capital's most prestigious country club.

The whole thing is way too embarrassing and way too strange, so Banion, after a few hours of indiscreet babble, doesn't talk about it. Alien doesn't fall within his province of worries. His worries are more appropriately the likes of: Will the president still be coming to dinner next weekend after Banion has insulted him extravagantly and ruthlessly on his Sunday morning talk show?

But when it happens again, the "aliens" experience sinks in. What else can Banion do but talk about it? When St. Paul gal pitched off his donkey on the road to Damascus, he didn't keep on being a pagan, did he? One's life is bound to change, and Banion's speeches, talk shows and syndicated columns become informed by a wholly new subject matter: What do Congress and the administration plan to do about these aggressive superterrestrials? For-

get the Russians, taxes, the Balkans: We're being invaded; we have been invaded by freaky aliens!

The reader already knows that these "aliens" are the invention of an obscure and very effective U.S. agency called MJ-12. Its 12 bureaucrats have been on the job since 1947, the height of the Cold War, staging encounters of the Third Kind — hauling overweight women up out of Target parking lots for what may be the best sex of their dreary lives, mutilating cattle, spreading pernicious rumors. A disgruntled MJ-12 employee, Nathan Scruggs, denied a transfer once too often, watches John Banion's insufferable show after a dozen too many Bloody Marys, stalks with his computer and arranges for an abduction.

Christopher Buckley's knowledge of the ruling class and its whimsical ways is what grounds "Little Green Men" and makes you smile the whole time you're reading it. So the president is coming to dinner this weekend, is he? Some of us may remember William F. Buckley Jr.'s account of a week in his own life, predicated on that dizzying hypothesis: The president may be showing up for dinner on the weekend! What a strange and beady concern. Without belaboring any of this, Buckley's son Christopher compares and contrasts two kinds of gentle lunatics: the disheveled, uneducated, badly dressed space "experts," and the Pamela Harrimans, Vernon Jordans, Henry Kissingers who more or less run our tottering republic: Who gets the Crazy Prize? It's a toss-up.

I haven't given away the plot here, merely the exposition. It's such a sweet treat to watch this silly but knowledgeable story play out.

Carolyn See reviews regularly for *The Washington Post*.

BRIDGE

By Alan Truscott

THE semifinals of Vanderbilt Knockout Team play at the American Contract Bridge League's Spring Nationals in Vancouver, British Columbia, had an international flavor. Three of the four participating squads included European players who had won international titles.

Lorenzo Lautria and Alfonso Versace of Italy were teamed with George Jacobs, Ralph Katz, Peter Weissbach and Man Sontag. They faced Adam Zmudzinski, Cezary Balicki, Marek Szymanski and Krzysztof Murens, of Poland, plus Gram Baze and

Tipton Gollas. The only surviving four-person squad was Geir Helgemo of Norway, Tony Forrester and Andrew Robson of England, and Rita Shugart. They opposed the only remaining all-American group: Steve Robinson, Peter Boyd, Kit Woolsey, Fred Stewart, Michael Becker and Michael Kainil.

The most disastrous defense of the Vanderbilt was perpetrated on the diagrammed deal by a former world champion, Hugh Ross, who told the story on himself. As West, he opened two no-trump and heard a Stayman three-club response. He would have bid three diamonds to deny majors, but South made that bid

first. East's penalty double ended the auction. East-West can make seven clubs.

West had to decide which ace to lead. If he had chosen a black ace and continued, South would have made just five trump tricks and lost 1,100. The heart ace would have helped South, but the penalty would be 500, whether the next lead was a black suit or a heart.

But Ross led the diamond ace, hoping to stop a ruff. He could now have led a black suit, collecting 300, or played the ace and another heart to score two ruffs and 500. But he led his remaining trump. South. Dick Bruno, drew trumps and gave up a heart

trick, scoring 670. Ross's result was 2,310 below bidding and making seven clubs.

NORTH
♦ J 9 6 5
♦ 8 6 3
♦ 5
♦ 3 9 4

WEST (O)
A Q 7
7 A 9 2
9 A 4
A Q 10 8 7

EAST
K 10 3
7 5
K 8 7 2
K 6 3 2

SOUTH
♦ 2
K Q 10 7 4
K Q 10 9 6 3
♦ 5

Both sides were vulnerable. The bidding: West: North: East: South: 2 N.T. Pass: 3 ♦: 3 C: Pass: Pass: DBL: Pass: Pass: West led the diamond ace.

TUEBINGEN Kunsthalle, tel: (7071) 9891-0, closed Mondays. To June 2: "Art Egyptian au Temps des Pyramides: Documents of the Old Kingdom (c. 2700-200 B.C.), when the pyramids were built, the temples were decorated with colored reliefs and the tombs were filled with funiture, jewelry and crafted objects. The exhibition will travel to New York and Toronto.

GERMANY
Galerie Nationale du Grand Palais, tel: 01-44-13-17-17, closed Tuesdays and May 1. To July 12: "Art Egyptian au Temps des Pyramides: Documents of the Old Kingdom (c. 2700-200 B.C.), when the pyramids were built, the temples were decorated with colored reliefs and the tombs were filled with funiture, jewelry and crafted objects. The exhibition will travel to New York and Toronto.

HONG KONG University Museum and Art Gallery, tel: 2975-5900, closed Sundays. To July 4: "Adornment of the Body and Soul: Ancient Chinese Ornaments from the Mengdaxuan

AUSTRIA

VIENNA Kunsthistorisches Museum, tel: (1) 525-240, closed Mondays. To May 2: "Barbarian Jewelry and Roman Gold: The Szilagysomlyo Treasure." A display of gold objects excavated in Romania (then Hungary) in 1797 and 1869, that testify to the relations between the Romans and the eastern Teutons during the 4th and 5th centuries.

CANADA

MONTREAL Montreal Museum of Fine Arts, tel: (514) 285-1800, closed Mondays. To June 13: "India: A Celebration of Independence, 1947-1997." Commemorating the 50th anniversary of India's independence, the exhibition consists of 240 photographs taken in India by Indian and Western photographers during the past 50 years. Works by Henri Cartier-Bresson, Margaret Bourke-White, Raghu Rai, Swapan Panekar and Dayanita Singh document Indian events and personalities from the independence to the present. The exhibition will travel to Chicago. www.mmaf.ca

FRANCE

PARIS Galerie Nationale du Grand Palais, tel: 01-44-13-17-17, closed Tuesdays and May 1. To July 12: "Art Egyptian au Temps des Pyramides: Documents of the Old Kingdom (c. 2700-200 B.C.), when the pyramids were built, the temples were decorated with colored reliefs and the tombs were filled with funiture, jewelry and crafted objects. The exhibition will travel to New York and Toronto.

ITALY
Galleria d'Arte Moderna, tel: (051) 50-28-59, closed Mondays. To Aug. 29: "Anselm Kiefer: Stelle Cadenti." More than 30 recent paintings, lead sculptures, books and installations. The German artist (born 1945) portrays the leading figures of German history and culture, landscapes that have been destroyed by war as well as natural scenery, pyramids and starry skies, depicting a world where nature, culture, history and myths coexist. www.galleriadarmoderna.bo.it

JAPAN
Tokyo Fuji Art Museum, tel: (426) 91-4511, continuing To April 18: "A 4000-Year Art Expedition: From Ancient Egypt to Andy Warhol." Approximately 200 paintings, sculptures and photographs covering the Egyptian, Greek and Roman periods through the Renaissance to the 20th century. www.moma.jp

KYOTO National Museum of Modern Art, tel: (75) 761-4111, closed Mondays. To June 6: "Visions of the Body: Fashion or Invisible Consol." Explores the relationship between fashion and the status of women in society. www.kmu.kjk.go.jp

GERMANY
TUEBINGEN
Kunsthalle, tel: (7071) 9891-0, closed Mondays. To June 27: "Wassily Kandinsky: Paintings, Watercolors, Drawings, 1904-1944." On loan from the Centre Georges Pompidou in Paris, a selection of more than 120 works created by Kandinsky (1866-1944), mostly after 1910. www.kunsthalle-tuebingen.de

FLORENCE Palazzo Strozzi, tel: (55) 21-52-71, open daily. Continuing To July 4: "Arte Sublime nell'Antico Egitto." A loan of statuary and artifacts from the Egyptian Museum in Cairo. They document the evolution of art from the Old Kingdom.

SINGAPORE
Asian Civilizations Museum, tel: 332-3511, closed Mondays. To May 30: "Eternal Egypt." Explores Egyptian daily life and afterlife with 120 items, on loan from the British

"Room at the Inn" (£8.99) and "The Good Beer Guide 1999" (£10.99) are available at British bookshops or from CAMRA (44-172) 867-201.

An American Express "Business Travel Barometer" survey of 270 corporate travelers at the Business Travel '99 exhibition in London revealed:

• Ninety-eight percent believe that "mobile working" — doing the job back in the office as well as on the road — is important for company productivity. Seventy-five percent say e-mail is vital for staying in touch (a third access their e-mail three or more times a day), compared with 32 percent who rely on mobile phones. Only 26 percent work during flight (12 percent use on-board telephones), and 54 percent prefer to relax in the air. But working at the airport has become more popular — 34 percent would like virtual offices and workstations, 16 percent would like meeting rooms and 9 percent would appreciate video-conferencing facilities.

• Eighty-four percent look forward to using self-booking technology to make their own travel arrangements. A quarter predict that self-booking will be the most important technology in the next year: 55 percent say the Internet will be the most important new technology in the next century and 13 percent believe that "smart cards" will change the face of corporate travel.

• Sixty percent say speed is most important when checking-in for flights — 14 percent would like a separate check-in for business travelers. Wasted time at airports is a major frustration. A third complain about having to check-in early and 26 percent complain about flight delays.

• Forty percent have used no-frills airlines in the last 12 months and 56 percent plan to use them again soon.

• Forty-three percent choose a hotel on quality of service, compared with 14 percent who believe that cost is crucial.

Roger Collis can be reached by fax at (33-4) 93-74-77-92.

THE FREQUENT TRAVELER

By Roger Collis
International Herald Tribune

LONDON has come to rival Paris and New York as one of the great eating capitals of the world, with more than 8,500 restaurants and 70 different kinds of cuisine. You don't have to go into the grandest restaurants to eat well. But straying into the wrong places can lead to some diabolical (and wallet-thinning) experiences.

Help is at hand this month of "The Rough Guide to London Restaurants" by Charles Campton (£6.99, about \$11) — a pocket-size guide that devotes a page to 320 eateries where you can eat well for £25 a person, or less. In some haute cuisine restaurants that may mean keeping to the set lunch, while in some bargain ones it might cover a slap-up meal for four.

The guide divides London into five sections (Central; City and East; North; South; West), then breaks these down by neighborhoods, with restaurants arranged alphabetically in each section and maps for getting there. There is an index of restaurants by cuisine along with a list of Campton's favorites.

There are 30 guide books to London restaurants, Campton says, "but they are all divided up by cuisine, which assumes that this is your first criterion when choosing a place to eat. It shouldn't be. That's why I split London into villages. If you're meeting friends in Camden, your best bet might be Greek or Spanish; in Brick Lane or Southall they might be Indian. You don't say, 'I need Turkish, I'm going to go across London to Stoke Newington.' It's the other way round. But you want to know about that oddball great restaurant, too: whether it's a star like Chez Bruce in Wandsworth or a brilliant restaurant-pub like the Anglesea Arms in Hammersmith. This is a personal selection, not a reference book. I would be very happy for you to take me to dinner at any of them."

Campton gives a spread of prices for each restaurant. The bottom figure is "what you can get away with as a real

cheapskate" and the top figure is what it would cost "for a bit of a blow-out."

"The difference in cost can be immense," Campton says. "I didn't want to include any place where you couldn't go and have something to eat and a glass of wine for £25 per person."

If you haven't tried Coniston Bluebird Bitter, Goff's Jouster or Rooster Scorchier, or compared a Flying Herbert Pride ("a pleasantly hoppy") with London Pride ("a award-winning bitter with a good malty base"), then you need to "The Good Beer Guide 1999," published by CAMRA (The Campaign for Real Ale).

These are among the champion beers featured in the 26th year of this classic publication, which lists around 5,000 pubs serving real ale — cask-conditioned (meaning unpasteurized) draft beer, served without gas pressure by a handpump at room temperature (well, O.K., warm) along with details of 600 breweries big and small and the 2,700

The second edition of "Room at the Inn" by Jill Adam, published this month, is a guide to good value bed-and-breakfast accommodation at British pubs, also published by CAMRA. Among the criteria for inclusion is that pubs serve a decent selection of real ale. More than 500 ions in England, Scotland and Wales are listed with bed-and-breakfast prices from £15 to more than £45 a person (all rigorously recommended by local CAMRA members and inspected by the author).

When you're staying in a pub you have every excuse to wrap yourself around a Big Breakfast. Local treats include the Full Welsh Breakfast of bacon, tomatoes, wild boar or venison sausage, black pudding, fried eggs, mushrooms, liver bread and cockles. And there are pubs where you can wake up to fine fish — without which no Victorian breakfast was complete. The Dog Inn at Over Peover in Cheshire, for example, serves a choice of grilled Manx kippers (two) or poached baddock. At the Clytha Arms in Gwent, Wales, you can enjoy smoked sea trout with poached eggs for breakfast along with leek and liver bread rolls.

Roger Collis can be reached by fax at (33-4) 93-74-77-92.

ARTS GUIDE

Museum: sculptures, figures and amulets in precious stones; jewelry and a mummy in its coffin. www.nhm.gov.uk/malegypt

UNITED STATES

NEW YORK Museum of Modern Art, tel: (212) 708-9400; closed Mondays. To June 16: "Signer Poike: Works on Paper, 1963-1974." More than 180 drawings and gouaches ranging from small ballpoint drawings to a series of monumental works from the 1970s. The exhibition will travel to Hamburg. <

Using the Power / Vastly Increased Assets

Air Raid Bewilders Montenegro

NATO Missiles Stir a Political Reaction in Serbia's Reluctant Ally

By Blaine Harden
The Los Angeles Times

PODGORICA, Montenegro — After a week in which Montenegro was spared air attacks, NATO aircraft have fired on a Yugoslav Army missile battery in this small Yugoslav republic.

The attack came after a Yugoslav missile was launched at NATO planes flying over the mountainous republic on their way to bomb targets in neighboring Kosovo, according to a State Department official in Washington.

Officials in the pro-Western Montenegrin government agreed with Washington's version of events, saying that NATO had hit four military targets near the capital Tuesday night, causing no civilian casualties and no significant damage to civilian property.

The officials said NATO planes had launched the missiles and bombs after they came under anti-aircraft fire.

The Yugoslav 2d Army in Montenegro, which is loyal to the regime of President Slobodan Milosevic and has about 12,000 troops here, announced that NATO's missiles and bombs had aimed at civilian targets in the city.

The twisted metal remains of what appeared by its English-language markings to be a NATO missile were seen by Western reporters in a residential neighborhood in the center of Podgorica. An explosion there broke a few windows but caused no other damage.

The arms did not provide information on any damage to its facilities, but a State Department official said a Yugoslav missile launcher had been destroyed.

Attacks on Montenegro have caused severe political problems for President Milo Djukanovic, who was elected in 1997 by promising voters that a turn to

the West would bring Montenegro peace and wealth.

This poor mountainous republic, with a population of about 640,000, is in the Yugoslav alliance with Serbia, but it is split between those who support Mr. Djukanovic's shift to the West and those who believe that Montenegrins should be loyal to their Serbian Orthodox brothers and support the Milosevic government in Belgrade.

NATO bombings seem to have tipped the balance in opinion balance, for the moment at least, against Mr. Djukanovic. He and his ministers have been on the defensive for the last two weeks.

After a meeting last Friday with army generals, government officials have agreed to major changes in state and private television coverage of the war in Kosovo. They issued orders that have eliminated nearly all rebroadcasts of reports from CNN and other Western news networks.

The bombings have also revitalized the pro-Milosevic Socialist People's Party, which was soundly beaten last year in parliamentary elections. The party on Wednesday night staged its fourth consecutive pro-army, anti-NATO concert here.

After the concert, several thousand noisy supporters of the pro-Milosevic party, many of them waving a vulgar, fictional obituary of Secretary of State Madeleine Albright, marched from the city's central square toward nearby government buildings.

The crowd broke up peacefully before reaching the government center.

Robert Gelbard, the U.S. special envoy to the former Yugoslavia, said from Washington in a phone interview, that the Clinton administration was in regular contact with Mr. Djukanovic, explaining

to him why the NATO attacks have occurred against targets in Montenegro and reassuring him of U.S. support.

"From the very beginning of this campaign, we knew and we let Djukanovic know, that there were certain military targets that we were going to have to hit in Montenegro, and he was well aware of it," Mr. Gelbard said. "The only time that we have actually targeted ground installations in Montenegro was on the first and second day of the campaign."

Mr. Gelbard added that he told Mr. Djukanovic on several occasions, including a telephone conversation Wednesday, that while there were no more sites in Montenegro on the NATO target list, if missiles were fired at aircraft or if the planes were caught in Yugoslav anti-aircraft radar, NATO would react.

In an interview Sunday night, Mr. Djukanovic said he had argued for months with the Americans that a bombing attack on Yugoslavia would weaken his government and raise the willingness of pro-Milosevic forces here to try to stage a coup. Mr. Djukanovic was highly critical of Mr. Milosevic in the interview, but stopped short of declaring that he wanted Montenegro to secede from Yugoslavia.

Political analysts here say that the bombing has strengthened support for Mr. Milosevic and that any referendum on secession would fail by an overwhelming margin.

The government of Montenegro, in sharp contrast with the authorities in Belgrade, has welcomed foreign journalists. But the welcome ends when reporters come across members of the Yugoslav Army. Those troops have detained at least six television crews in the last two weeks.

Kosovar Rebels Reported Aiding Allied Air Strikes

By Christopher Dickey
Paris

PARIS — French radio journalists reporting from areas in Kosovo that are held by separatist fighters said Thursday that the rebels were in contact with NATO and providing information to help allied air strikes.

"The KLA is still operational," said Nicolas Poincaré on France-Inter radio, referring to the Kosovar Liberation Army. He reported that he was in a valley surrounded by high snow-capped mountains where the ethnic Albanian fighters appeared to be in control.

"There are no cars, no electricity, the soldiers travel on horseback," he said from a rebel command post.

The young officer in charge claimed that although the rebels had lost ground to Serbian forces in the past week, they still controlled 40 percent of the province, he said.

He quoted the commanding officer as saying that the North Atlantic Treaty Organization strikes were helping the rebels to survive against Serbian attack, especially by destroying bridges that reduced the enemy's mobility.

"The KLA is in contact with NATO and indicates which targets to strike, especially bridges," Mr. Poincaré said.

Four journalists representing RTL radio, Radio France, the newspaper *Le Monde* and *Radio France Internationale* entered western Kosovo overnight Wednesday accompanied by members of the Kosovar Liberation Army.

Most journalists were forced to leave Kosovo at the start of the NATO air campaign, and the French radio and print journalists were among the few who had managed to return.

Thomas Legrand of RTL radio also reported that the guerrilla fighters were in contact with the allies. He said the rebels needed extra weapons and that fighters he had seen mainly had outdated light arms.

"The Serbs are having great difficulty to get from one point to another since the beginning of the conflict," the RTL radio reporter said, quoting an unnamed rebel commander.

Another journalist, Frank Berrouer, told Europe 1 that he had reached a rebel-held area where three villages were resisting Serbian forces and where no homes had been burned down. (AP/AF)

NATO Commander Asks Allies for More Air Power

By Steven Lee Myers
and Michael R. Gordon
New York Times

BRUSSELS — NATO's senior military commander, General Wesley Clark, wants significantly more American and allied warplanes to intensify the alliance's attack on Yugoslavia, and the Pentagon has assured him he will get whatever he needs.

With the allies continuing to rule out ground forces and engaged in a military operation tougher than expected, General Clark has been forced to seek still more air power and employ new tactics. These have included stepped-up patrols over Kosovo, luring the Serbs out of their hiding places so they can be bombed and low-level attacks.

As the third week of bombing began, General Clark said he was considering several options to further expand the alliance's striking power, but declined to discuss those details.

A senior NATO official said the general wanted "vastly increased assets" over the 600 aircraft already involved. A major aim would be to improve NATO's ability to bomb Yugoslav armored forces in Kosovo.

Secretary of Defense William Cohen, who met with General Clark on Wednesday at the general's headquarters near Brussels, said the Pentagon would provide whatever forces the commander needs.

"Whatever General Clark feels he needs to carry out this campaign successfully, he will receive," Mr. Cohen said.

Since the raids began on March 24, the United States and its allies have steadily increased the number of aircraft involved in the attack.

After the Yugoslav military surprised NATO by launching a brutal campaign to evict ethnic Albanians from Kosovo, the number of warplanes grew from 430 to more than 600, including 75 combat and support aircraft on the aircraft carrier Theodore Roosevelt, which joined the raids on Tuesday.

On Wednesday night, NATO flew 439 bombing, fighting and support missions, the largest number since the campaign began. The planes pounded command posts, fuel depots, air defenses and, according to a NATO military spokesman, scored its first major "breakthrough" against Serbian forces in the field.

That occurred when a patrol of British Harrier jets caught a Serbian armored column on the move north of Pristina and attacked it with cluster munitions. A NATO spokesman, Commodore David Wilby, said that some of the seven to 12

British Harriers, for example, are no longer attacking in groups of six aircraft. Instead, they are attacking in pairs, which maximizes the time they can loiter over the battlefield.

The French, too, have stepped up their low-level attacks, using Jiguar and Super-Etendard aircraft. Even with better weather and new tactics, General Clark made it clear that Yugoslavia's military remained a potent enemy that required still more firepower.

"Yugoslavia has a very, very significant military infrastructure and a full array of military forces, with alternate and secondary positions, with storage depots, very well concealed and dispersed," he said. "There are many, many targets that have not been struck. We know where they are. We're coming after them."

At General Clark's request, the United States has already dispatched another dozen F-117 Stealth fighters and five B-1 bombers.

The Pentagon has also approved the deployment of 24 Apache helicopter gunships to Albania, although officials said it could take a week or longer to send them.

Civilian Sites Also Hit as Bombs Rain on Pristina

By Paul Watson
Los Angeles Times

PRISTINA, Yugoslavia — NATO did not discriminate between ethnic groups when its air strikes killed at least 10 civilians and injured 15 in the center of Kosovo's capital.

A family of five ethnic Turks, three of them children, died Wednesday morning when NATO rockets blasted one of Pristina's oldest neighborhoods, reducing several houses to burning rubble.

A Serbian neighbor, three Serbian men working at a nearby post office and telephone exchange and an elderly Serbian man were also killed in the attack, residents said in interviews.

On the heaviest night of bombing here since the North Atlantic Treaty Organization first attacked Yugoslavia two weeks ago, wave after wave of bombers struck central Pristina just past midnight.

An ethnic Albanian couple were eat-

ing bread amid shattered glass in their small, dark kitchen Wednesday afternoon as the last flames burned through their next-door neighbor's house.

They were dazed, bloodied and fighting back tears as they wondered what had become of the people next door.

The couple, ages 64 and 77, were too frightened to give their names because they had fought the blaze themselves with a garden hose while the Serbian fire brigade concentrated on other buildings.

But as they led a foreign journalist through the ruins, they left no doubt who they blamed.

"I will send the bill to Mr. Clinton," said the man, a retired professor. He gestured at the smoldering destruction that surrounded him. "He has to pay for all of this. We are not soldiers. We are civilians."

The attack was concentrated on several government buildings nearby: the headquarters for the Provincial Executive Council, the national bank tower,

the social security administration and post office.

All suffered heavy damage from several bombs or missiles, but the six-story Provincial Executive Council building where Kosovo's top Serbian official, Zoran Andjelkovic, had his offices suffered the hardest hit.

The shock wave from the bombs was so powerful that it snapped dozens of limbs from trees and smashed plate-glass windows in shops and restaurants hundreds of yards away.

The raids also knocked out the water supply in central Pristina and blew up a fuel storage site north of the city at Devet Jigovica, setting off a huge fire that spewed black smoke hundreds of yards into the sky.

In what appeared to be an attack on large fuel tanks near Pristina's railway station, a bomb hit a nearby Orthodox Christian cemetery and blew a crater about six meters deep and 14 feet wide, where several Serbs' graves used to be.

I wonder
if people

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As Seen From Home / A Moral Obligation

57% in U.S. Poll Back Use of Troops

By Richard Morin
and Claudia Dénat

WASHINGTON, D.C. — The attitudes of Americans on the crisis in Yugoslavia have taken on an angry and personal edge as the images of Kosovar refugees it has instigated the Yugoslav leader Slobodan Milošević into a war criminal in their eyes and increased support for military action against his forces.

In a Washington Post-ABC News poll, 51 percent of Americans said the United States should use ground troops to remove Mr. Milošević from power and 45 percent oppose it unless he should be forced to stand trial for war crimes.

The poll indicates that two in three Americans in the United States favor "immediately" or "soon" to establish peace in Kosovo. That's up 10, to 57 percent, since they favored the use of U.S. and allied ground troops to end the conflict in Kosovo, in the campaign fails to force Mr. Milošević to the peace table.

To estimate, of those questioned, said they supported ongoing NATO air strikes, a 14 percentage point increase in barely a week.

The poll suggests this shift in national temper has come in recent days as American concern for the plight of ethnic Albanians figures with the continued defiance of Mr. Milošević.

A majority of those interviewed, 58 percent, said they oppose this has made them more likely to support allied military action against Yugoslavia while 29 percent said it made them less willing.

Twenty-four percent said Mr.

Milošević should be tried for war crimes and 61 percent supported sending ground troops into Serbia to remove Mr. Milošević from power, a finding that may say more about the public's anger with Mr. Milošević than its preference for what could turn into a bloody march to hunt down the Serb leader.

A total of 1,001 randomly selected adults were interviewed Monday and Tuesday nights for this survey. Margin of sampling error for results based on the total sample is plus or minus 3 percentage points.

Other poll results suggest many Americans still are not willing to trade the lives of U.S. soldiers for peace in Kosovo.

About half of those polled said they are unwilling to lose any U.S. soldiers to help bring peace to Kosovo.

Support Grows Among French

By Richard Morin

PARIS — A growing number of French people approve of the NATO strikes against Yugoslavia, and most favor sending troops to Kosovo to protect refugees, an opinion poll showed.

French, however, opposed sending ground troops to the province by a margin of 49 percent to 51 percent who favored the move, according to a poll by the newspaper *Le Monde*.

In France, half of the respondents to a CNN poll conducted Tuesday and Wednesday for the French daily newspaper *Le Parisien* said they approved of the missile strikes and bombings, up from 40 percent in the last survey, conducted March 12-17.

A majority of those interviewed, 58 percent, said they supported the strikes and 41 percent opposed them.

Children, The Serb-led troops and police are assassins."

The governments of Europe may have mixed feelings about taking in refugees from Kosovo, but their people are racing ahead, though. The food drive in France has brought in 280,000 tons of donations. In Edinburg, Sweden, people donated used computers to be sold at a fund-raiser. In Britain, more than \$5 million was raised in less than 24 hours, with calls flooding 3,400 telephone lines.

Every day, two planeloads of food, tents and water-purification equipment leave Germany for Albania and Macedonia. The Spanish Red Cross has sent four trucks and a plane carrying food and medical supplies to Albania, enough to help 50,000 refugees. In Italy, so many donations have poured in that the Red Cross has asked that contributions of food, clothing and bedding be suspended because there is no more room to store them.

"It all brings back memories of decades ago," she said. "To see those people leave their homes with nothing — no clothes, no papers. Especially the

Catholic volunteer organization in Italy, is collecting money and material for the refugees. An Easter Sunday campaign in Rome yielded 62 tons of food and other items.

There seem to be two main reasons for the outpouring. First, for the rich nations of Western Europe, Yugoslavia, of which Kosovo is a province, is virtually a neighbor. Second, the torment of Kosovo is personal: Many people, such as Ms. Ausseray, find in the crisis echoes of Europe's two devastating wars this century.

European Union ministers agreed to spend \$230 million on aid for the refugees and to help Kosovo's neighbors cope with them. That government spending outstrips private aid for the moment, but the spirit of giving is in evidence across Europe.

At the Creteil supermarket, the French Red Cross vice president, Emmanuel Beranger, said he spoke to a school class about the volunteer relief effort.

"They asked a lot of questions," he said. "They mixed up the Serbs and the Albanians, but what they know is that children are suffering."

Across Europe, an Outpouring of People's Aid

By Annie Swanson
and Charles Trueman

CRETEIL, France — As people leave their day jobs at a supermarket in the Paris suburb, they head for the Red Cross food donation station and virtually surround Isabelle Ausseray, who is collecting money to send to the refugees of Kosovo.

Ms. Ausseray, 39, remains imperious even when a woman wheels up a cart filled with coffee, chocolate and canned tomatoes. Swiftly, she repacks the goods into carts by category.

She volunteered to help in the food drive because she was moved by the suffering she has seen on television — and because she knows more than most how close to home the Kosovo refugee crisis is. Sixty years ago, she and her family were the refugees, fleeing suburban Paris and the Nazi invaders, on foot, with their belongings in a pushcart.

"It all brings back memories of decades ago," she said. "To see those people leave their homes with nothing — no clothes, no papers. Especially the

children. The Serb-led troops and police are assassins."

The governments of Europe may have mixed feelings about taking in refugees from Kosovo, but their people are racing ahead, though. The food drive in France has brought in 280,000 tons of donations. In Edinburg, Sweden, people donated used computers to be sold at a fund-raiser. In Britain, more than \$5 million was raised in less than 24 hours, with calls flooding 3,400 telephone lines.

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Nationalwide prices not reflecting late trades elsewhere

The Associated Press.

THE ASSISTANT 103

NYSE

F-9-A									
47	21	PECCO	1.00	2.1	55	55.00	55.00	45.00	45.00
47	20	PGCE Co	1.20	3.8	17	6742	31.6	31.6	31.6
47	20	PDC Co	1.20	3.8	20	515	21.0	21.0	21.0
47	20	PDC Co	1.20	3.8	20	10000	43.6	43.6	43.6
47	20	PDC Co	1.20	3.8	20	16000	73.6	73.6	73.6
47	20	PDC Co	1.20	3.8	20	22000	100.0	100.0	100.0
47	20	PDC Co	1.20	3.8	20	28000	136.0	136.0	136.0
47	20	PDC Co	1.20	3.8	20	34000	172.0	172.0	172.0
47	20	PDC Co	1.20	3.8	20	40000	208.0	208.0	208.0
47	20	PDC Co	1.20	3.8	20	46000	244.0	244.0	244.0
47	20	PDC Co	1.20	3.8	20	52000	280.0	280.0	280.0
47	20	PDC Co	1.20	3.8	20	58000	316.0	316.0	316.0
47	20	PDC Co	1.20	3.8	20	64000	352.0	352.0	352.0
47	20	PDC Co	1.20	3.8	20	70000	388.0	388.0	388.0
47	20	PDC Co	1.20	3.8	20	76000	424.0	424.0	424.0
47	20	PDC Co	1.20	3.8	20	82000	460.0	460.0	460.0
47	20	PDC Co	1.20	3.8	20	88000	496.0	496.0	496.0
47	20	PDC Co	1.20	3.8	20	94000	532.0	532.0	532.0
47	20	PDC Co	1.20	3.8	20	100000	568.0	568.0	568.0
47	20	PDC Co	1.20	3.8	20	106000	604.0	604.0	604.0
47	20	PDC Co	1.20	3.8	20	112000	640.0	640.0	640.0
47	20	PDC Co	1.20	3.8	20	118000	676.0	676.0	676.0
47	20	PDC Co	1.20	3.8	20	124000	712.0	712.0	712.0
47	20	PDC Co	1.20	3.8	20	130000	748.0	748.0	748.0
47	20	PDC Co	1.20	3.8	20	136000	784.0	784.0	784.0
47	20	PDC Co	1.20	3.8	20	142000	820.0	820.0	820.0
47	20	PDC Co	1.20	3.8	20	148000	856.0	856.0	856.0
47	20	PDC Co	1.20	3.8	20	154000	892.0	892.0	892.0
47	20	PDC Co	1.20	3.8	20	160000	928.0	928.0	928.0
47	20	PDC Co	1.20	3.8	20	166000	964.0	964.0	964.0
47	20	PDC Co	1.20	3.8	20	172000	1000.0	1000.0	1000.0
47	20	PDC Co	1.20	3.8	20	178000	1036.0	1036.0	1036.0
47	20	PDC Co	1.20	3.8	20	184000	1072.0	1072.0	1072.0
47	20	PDC Co	1.20	3.8	20	190000	1108.0	1108.0	1108.0
47	20	PDC Co	1.20	3.8	20	196000	1144.0	1144.0	1144.0
47	20	PDC Co	1.20	3.8	20	202000	1180.0	1180.0	1180.0
47	20	PDC Co	1.20	3.8	20	208000	1216.0	1216.0	1216.0
47	20	PDC Co	1.20	3.8	20	214000	1252.0	1252.0	1252.0
47	20	PDC Co	1.20	3.8	20	220000	1288.0	1288.0	1288.0
47	20	PDC Co	1.20	3.8	20	226000	1324.0	1324.0	1324.0
47	20	PDC Co	1.20	3.8	20	232000	1360.0	1360.0	1360.0
47	20	PDC Co	1.20	3.8	20	238000	1396.0	1396.0	1396.0
47	20	PDC Co	1.20	3.8	20	244000	1432.0	1432.0	1432.0
47	20	PDC Co	1.20	3.8	20	250000	1468.0	1468.0	1468.0
47	20	PDC Co	1.20	3.8	20	256000	1504.0	1504.0	1504.0
47	20	PDC Co	1.20	3.8	20	262000	1540.0	1540.0	1540.0
47	20	PDC Co	1.20	3.8	20	268000	1576.0	1576.0	1576.0
47	20	PDC Co	1.20	3.8	20	274000	1612.0	1612.0	1612.0
47	20	PDC Co	1.20	3.8	20	280000	1648.0	1648.0	1648.0
47	20	PDC Co	1.20	3.8	20	286000	1684.0	1684.0	1684.0
47	20	PDC Co	1.20	3.8	20	292000	1720.0	1720.0	1720.0
47	20	PDC Co	1.20	3.8	20	298000	1756.0	1756.0	1756.0
47	20	PDC Co	1.20	3.8	20	304000	1792.0	1792.0	1792.0
47	20	PDC Co	1.20	3.8	20	310000	1828.0	1828.0	1828.0
47	20	PDC Co	1.20	3.8	20	316000	1864.0	1864.0	1864.0
47	20	PDC Co	1.20	3.8	20	322000	1900.0	1900.0	1900.0
47	20	PDC Co	1.20	3.8	20	328000	1936.0	1936.0	1936.0
47	20	PDC Co	1.20	3.8	20	334000	1972.0	1972.0	1972.0
47	20	PDC Co	1.20	3.8	20	340000	2008.0	2008.0	2008.0
47	20	PDC Co	1.20	3.8	20	346000	2044.0	2044.0	2044.0
47	20	PDC Co	1.20	3.8	20	352000	2080.0	2080.0	2080.0
47	20	PDC Co	1.20	3.8	20	358000	2116.0	2116.0	2116.0
47	20	PDC Co	1.20	3.8	20	364000	2152.0	2152.0	2152.0
47	20	PDC Co	1.20	3.8	20	370000	2188.0	2188.0	2188.0
47	20	PDC Co	1.20	3.8	20	376000	2224.0	2224.0	2224.0
47	20	PDC Co	1.20	3.8	20	382000	2260.0	2260.0	2260.0
47	20	PDC Co	1.20	3.8	20	388000	2296.0	2296.0	2296.0
47	20	PDC Co	1.20	3.8	20	394000	2332.0	2332.0	2332.0
47	20	PDC Co	1.20	3.8	20	400000	2368.0	2368.0	2368.0
47	20	PDC Co	1.20	3.8	20	406000	2404.0	2404.0	2404.0
47	20	PDC Co	1.20	3.8	20	412000	2440.0	2440.0	2440.0
47	20	PDC Co	1.20	3.8	20	418000	2476.0	2476.0	2476.0
47	20	PDC Co	1.20	3.8	20	424000	2512.0	2512.0	2512.0
47	20	PDC Co	1.20	3.8	20	430000	2548.0	2548.0	2548.0
47	20	PDC Co	1.20	3.8	20	436000	2584.0	2584.0	2584.0
47	20	PDC Co	1.20	3.8	20	442000	2620.0	2620.0	2620.0
47	20	PDC Co	1.20	3.8	20	448000	2656.0	2656.0	2656.0
47	20	PDC Co	1.20	3.8	20	454000	2692.0	2692.0	2692.0
47	20	PDC Co	1.20	3.8	20	460000	2728.0	2728.0	2728.0
47	20	PDC Co	1.20	3.8	20	466000	2764.0	2764.0	2764.0
47	20	PDC Co	1.20	3.8	20	472000	2800.0	2800.0	2800.0
47	20	PDC Co	1.20	3.8	20	478000	2836.0	2836.0	2836.0
47	20	PDC Co	1.20	3.8	20	484000	2872.0	2872.0	2872.0
47	20	PDC Co	1.20	3.8	20	490000	2908.0	2908.0	2908.0
47	20	PDC Co	1.20	3.8	20	496000	2944.0	2944.0	2944.0
47	20	PDC Co	1.20	3.8	20	502000	2980.0	2980.0	2980.0
47	20	PDC Co	1.20	3.8	20	508000	3016.0	3016.0	3016.0
47	20	PDC Co	1.20	3.8	20	514000	3052.0	3052.0	3052.0
47	20	PDC Co	1.20	3.8	20	520000	3088.0	3088.0	3088.0
47	20	PDC Co	1.20	3.8	20	526000	3124.0	3124.0	3124.0
47	20	PDC Co	1.20	3.8	20	532000	3160.0	3160.0	3160.0
47	20	PDC Co	1.20	3.8	20	538000	3196.0	3196.0	3196.0
47	20	PDC Co	1.20	3.8	20	544000	3232.0	3232.0	3232.0
47	20	PDC Co	1.20	3.8	20	550000	3268.0	3268.0	3268.0
47	20	PDC Co	1.20	3.8	20	556000	3304.0	3304.0	3304.0
47	20	PDC Co	1.20	3.8	20	562000	3340.0	3340.0	3340.0
47	20	PDC Co	1.20	3.8	20	568000	3376.0	3376.0	3376.0
47	20	PDC Co	1.20	3.8	20	574000	3412.0	3412.0	3412.0
47	20	PDC Co	1.20	3.8	20	580000	3448.0	3448.0	3448.0
47	20	PDC Co	1.20	3.8	20	586000	3484.0	3484.0	3484.0
47	20	PDC Co	1.20	3.8	20	592000	3520.0	3520.0	3520.0
47	20	PDC Co	1.20	3.8	20	598000	3556.0	3556.0	3556.0
47	20	PDC Co	1.20	3.8	20	604000	3592.0	3592.0	3592.0
47	20	PDC Co	1.20	3.8	20	610000	3628.0	3628.0	3628.0
47	20	PDC Co	1.20	3.8	20	616000	3664.0	3664.0	3664.0
47	20	PDC Co	1.20	3.8	20	622000	3700.0	3700.0	3700.0
47	20	PDC Co	1.20	3.8	20	628000	3736.0	3736.0	3736.0
47	20	PDC Co	1.20	3.8	20	634000	3772.0	3772.0	3772.0
47	20	PDC Co	1.20	3.8	20	640000	3808.0	3808.0	3808.0
47	20	PDC Co	1.20	3.8	20	646000	3844.0	3844.0	3844.0
47	20	PDC Co	1.20	3.8	20	652000	3880.0	3880.0	3880.0
47	20	PDC Co	1.20	3.8	20	658000	3916.0	3916.0	3916.0
47	20	PDC Co	1.20	3.8	20	664000	3952.0	3952.0	3952.0
47	20	PDC Co	1.20	3.8	20	670000	3988.0	3988.0	3988.0
47	20	PDC Co	1.20	3.8	20	676000	4024.0	4024.0	4024.0
47	20	PDC Co	1.20	3.8	20	682000	4060.0	4060.0	4060.0
47	20	PDC Co	1.20	3.8	20	688000	4096.0	4096.0	4096.0
47	20	PDC Co	1.20	3.8	20	694000	4132.0	4132.0	4132.0
47	20	PDC Co	1.20	3.8	20	700000	4168.0	4168.0	4168.0
47	20	PDC Co	1.20	3.8	20	706000	4204.0	4204.0	4204.0
47	20	PDC Co	1.20	3.8	20	712000	4240.0	4240.0	4240.0
47	20	PDC Co	1.20	3.8	20	718000	4276.0	4276.0	4276.0
47	20	PDC Co	1.20	3.8	20	724000	4312.0	4312.0	4312.0
47	20	PDC Co	1.20	3.8	20	730000	4348.0	4348.0	4348.0
47	20	PDC Co	1.20	3.8	20	736000	4384.0	4384.0	4384.0
47	20	PDC Co	1.20	3.8	20	742000	4420.0	4420.0	4420.0
47	20	PDC Co	1.20	3.8	20	748000	4456.0	4456.0	4456.0
47	20	PDC Co	1.20	3.8	20	754000	4492.0	4492.0	4492.0
47	20	PDC Co	1.20	3.8	20	760000	4528.0	4528.0	4528.0
47	20	PDC Co	1.20	3.8	20	766000	4564.0	4564.0	4564.0
47	20	PDC Co	1.20	3.8	20	772000	4600.0	46	

Continued on Page 18

مکاتب الصل

Jobless Rate Falls a Bit in Germany

CUP

BUSINESS/FINANCE

FRIDAY, APRIL 9, 1999

PAGE 15

Jobless Rate Falls a Bit In Germany

But Data Cast Doubt On Hope for More Drops

Compiled by Our Staff From Dispatches

NUREMBERG — German unemployment fell in March by 3,000 from the previous month, to a seasonally adjusted 4.07 million, according to official data released Thursday.

But the Federal Labor Office, forecasting a similar development in April, said any improvement was largely seasonal and that Germany's weak economic growth was holding back any significant change in the highest unemployment since the 1930s.

In an effort to stimulate sluggish economies in the European single-currency zone, of which Germany is a part, the European Central Bank reduced its benchmark interest rate Thursday by half a percentage point, to 2.5 percent. The larger-than-expected cut was the first reduction since the euro was introduced in January. The Bank of England also lowered interest rates after growth in Europe's third-largest economy virtually ground to a halt.

Lower borrowing costs could lift consumer and corporate spending and may lead to weaker European currencies, making exports more competitive, economists say.

The German unemployment rate, which is based on unadjusted data, fell to 11.1 percent, compared with 11.6 percent in February. On a seasonally adjusted basis, unemployment remained steady at 10.5 percent.

Casting doubt on future improvement in the job market, meanwhile, was a Finance Ministry report that new orders in the manufacturing industry fell a larger-than-expected 1.7 percent in February. Orders have fallen seven out of the past eight months alongside slumping business confidence.

"The short-term outlook remains bleak," said Gerlof de Vrij, an analyst at ABN-AMRO Bank NV in Amsterdam.

Helping reduce the drag of slowing economic growth on Germany's jobs market were mild weather and government-sponsored job creation programs. Unemployment numbers are also shrinking because the total work force is declining, a result of the aging of Germany's population, the labor office said.

The drop in unemployment "was predominantly a result of seasonal influences," said Bernhard Jagoda, the president of the German Labor Office. "The weakness of the economy at the moment won't allow much more than that."

Unemployment declined by 6,000 in Western Germany and rose by 3,000 in the five Eastern states, which account for a tenth of Germany's total economic output. Without taking seasonal changes into account, the total of unemployed in Germany declined to 4.29 million people from 4.46 million in February.

Business confidence in Germany and France, Europe's two biggest economies, has dropped to its lowest level in two and a half years as a result of weakening exports. The chief economist of the ECB, Otmar Issing, said last week that growth in the euro zone was "weakening significantly."

In Germany, manufacturers from DSM NV, a chemicals company, to Tarket Sommer AG, the world's biggest hardwood flooring maker, have said that slowing growth in Europe and key export markets has reduced demand and put pressure on prices, prompting them to shed jobs.

The European Union last week cut its forecast for growth in Germany this year to 1.7 percent from 2.2 percent. Germany's economy expanded 2.8 percent in 1998. (Reuters, Bloomberg)

WALL STREET WATCH

Internet Blinds Investors

Stunning Returns Make Many Forget Basics

By Ianthe Jeanne Dugan
Washington Post Service

WASHINGTON — Jerry McCarthy, 72, has never used the Internet. He does not even own a computer. But after hearing that his 10-year-old grandson had plotted a family trip from New Hampshire to Alaska on-line, he shifted his individual retirement account into a mutual fund devoted to Internet companies.

"This Internet thing is going to change the world," said Mr. McCarthy, who recently sold his insurance business in Nashua, New Hampshire. "I'm in."

Over the years, Mr. McCarthy has picked many of his own stocks, such as Coca-Cola Co. and General Electric Co. But he was stumped over how to measure companies being fueled by the Internet. So he invested \$25,000 in Monument Internet Fund, managed by Monument Funds Group.

The investment, so far, has paid off. The obscure fund, with \$14.5 million in assets, was the third-best-performing stock fund in the United States in

See STOCKS, Page 16

If all of us could look back two years and invest, we'd invest in Internet stocks,' said Paul Cook of Munder Capital. 'Maybe in five years, we'll look back and say now was the right time.'

A Hot Quarter for Internet Funds

Fund	Net Assets	1997	1998	1999
		Percent, annually	Percent, annually	1st quarter
Monument Internet Fund	\$1.4 billion	36.4%	97.9%	54%
Monument Funds	\$300 million	12.7%	196.1%	93%
Monument Fund	\$25.7 million	0.5%	71.5%	35%
Monument Fund	\$14.5 million	—	—	92%

Source: Lipper Analytical Services, Morningstar, Bloomberg News, Monument Fund

Stock Soars on Cyber Hoax

Fake Takeover Report on the Web Lures Investors

By Edward Wyatt
New York Times Service

NEW YORK — One of the oldest frauds on Wall Street has been updated for the Internet age.

Using a personal Web site intended to look like an Internet page of Bloomberg News, someone posted a fake news story early Wednesday that said an American technology company called PairGain Technologies Inc. was being taken over by an Israeli rival for a hefty price.

The report spread to a Yahoo message board and then to other sites frequented by stock traders, who quickly bid up PairGain's stock by more than 30 percent.

By midday, the stock retreated as the takeover story was debunked, but it finished the day as the 12th-most heavily traded on Nasdaq, ahead of such popular shares as Amazon.com Inc. and E*Trade Group Inc.

The bozo, which is already under investigation by the Securities and Exchange Commission and the Nasdaq Stock Market, shows the startling power of Internet chat rooms and day traders.

Investors who were duped into buying shares at the temporarily inflated price have suffered at least paper losses, although it could be weeks before regulators are able to sort out who was trading.

Bloomberg said the report was not from one of its reporters, and the

prankster was not immediately identified. PairGain, a maker of telecommunications equipment in Tustin, California, and its alleged suitor, ECI Telecom Ltd., denied that they were in merger talks.

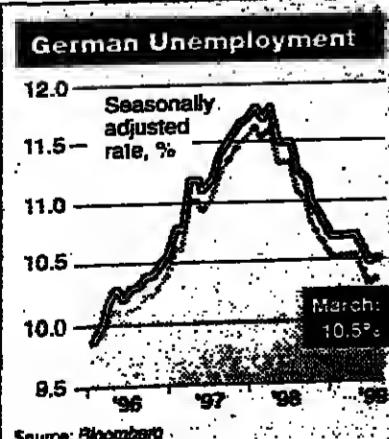
False rumors about a company have percolated as long as there have been markets, and prank announcements of takeovers have occurred during times of intense interest in the stock market, such as the late 1980s.

But analysts said that the false PairGain story, which made generous use of the scrolling text, Web links and icons familiar to Internet users, is one of the most technologically sophisticated examples of such fraud in years.

The fraud was well orchestrated. The posting appeared on the Internet just half an hour before trading began on the Nasdaq market, leaving little time for anyone to check with the companies but enough for investors to place orders to buy shares.

Once trading began, PairGain shares rose sharply on heavy volume, peaking at \$11.125. At the end of Wednesday, PairGain was priced at \$3.75, up 10 percent from \$3.50 on Tuesday. And 13.69 million shares changed hands in one day, roughly 13 times the average daily volume.

The stock began to retreat as Internet investors questioned the veracity of the takeover report and fell further after PairGain and ECI denied that they had reached a deal or were even in talks.



CURRENCY RATES

April 8 Other Dollar Values

April 8 European Cross Rates

Int'l. EMU rates are permanently fixed

As of 4/8/99

Per. Month

Per. Year

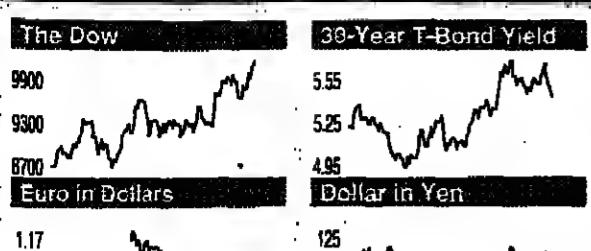
Per. Decade

Per. Century

Per. Millennium

THE AMERICAS

Investor's America



Market Rides an Updraft From Across the Atlantic

Compiled in the Staff News Department

NEW YORK — U.S. stocks rose to their highest level yet Thursday after the European Central Bank cut interest rates, spurring optimism that faster growth in Europe would bolster sales there for Coca-Cola Co. and other U.S. companies.

Many large U.S. companies "get a lot of their earnings from Europe," said Dirk van Dijk, a money manager with Dean Investment Associates in Dayton, Ohio. "If it does help jump-start European growth, it would mean higher earnings."

The Dow Jones industrial average closed 112.39 points higher at a record 10,197.70, while the broader Standard & Poor's 500 Index gained 17.11 points to 1,344. The Nasdaq composite index jumped 28.96 to 2,573.99.

U.S. The Dow 10197.70 +112.39

U.S. S&P 500 1344.00 +12.69

U.S. S&P 100 679.49 +6.84

U.S. NYSE Composite 624.28 +1.91

U.S. Nasdaq Composite 2573.99 +24.43

U.S. AMEX Composites 721.93 +0.66

Toronto TSE Index 6904.30 +7.78

Sao Paulo Bovespa 11500.99 +1154.87

Mexico City Bolsa 5182.98 +523.13

Buenos Aires Merval 449.67 +44.97

Santiago IPSA General 4353.20 +25.02

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Telecom Italia Set to Reinforce Its Defenses Paris Weighs A Challenge On Bananas

By Daniel Lieffgreen
Special to the Herald Tribune

ROME — The telecommunications battle between Olivetti SpA and Telecom Italia SpA is heading toward a showdown this weekend, and the former state monopoly appears to be gaining the upper hand in fending off Olivetti's \$6.4 billion euro (\$6.13 billion) hostile takeover bid, analysts said Thursday.

A meeting Saturday of Telecom Italia shareholders in Turin may be decisive in determining which side ultimately emerges victorious in Europe's largest takeover fight.

"We're entering the final phase and it looks like Telecom Italia has the momentum, although the outcome still is uncertain," said Dwayne Taylor of Robert Fleming Securities.

Shareholders are being asked to

approve several defensive measures proposed by chief executive of Telecom Italia, Franco Bernabe, who has been locked in a bitter war of words with his adversary, Roberto Colanino of Olivetti.

The most likely scenario is that these measures will be approved, said Carlos Siegrist of Banco Santander in Madrid.

Telecom Italia's defensive plan has three parts: a proposal to convert cheaper, nonvoting savings shares into common stock, a move that would make the company more expensive; a sweeping industrial plan that calls for a merger with the company's cellular phone subsidiary, Telecom Italia Mobile, and a share buyback program.

The key measure is the proposed share conversion, since Olivetti has said it would drop its bid if that goes ahead.

"If shareholders don't give approval to the share conversion, the takeover is still alive," said Davide Oddone, general manager of research group Actinwest in London.

Mr. Bernabe faces two big hurdles Saturday.

First, he needs at least 30 percent of shareholders represented at the meeting for it to be considered valid. Then he needs support from investors controlling at least 30 percent of the company's capital for the anti-takeover measures to be approved.

Reaching those numbers will not be easy, analysts said, because about a third of Telecom Italia's capital is in the hands of small investors, who traditionally do not participate in shareholder meetings.

According to Italian press reports, 25 percent of shareholders have registered for the meeting. A

company spokeswoman would not comment on the reports.

"Mr. Bernabe is more likely to succeed in the end," Mr. Oddone said. "I'm not sure that it can happen this weekend."

Analysts said the tide appeared to have turned in Telecom Italia's favor in the last week, citing Olivetti's controversial sale of Telecom Italia shares on the open market, tough talk from Mr. Colanino and Olivetti's slowness in releasing the formal prospectus document outlining full details of its offer.

"Olivetti has made some big mistakes," one analyst said. "Seven weeks after Olivetti announced its bid, we still don't have a prospectus."

Once Olivetti files the document with the stock market regulator Consob, that body has up to 15 days to approve it.

Big Future Is Seen for Bargain 'Virtual' Ads

Bloomberg News

PARIS — Aguila, Spanish television viewers saw this beer advertised on a banner fluttering above the finish line at the 1995 Tour of Spain, one of the world's premier cycling races.

Amsel, the beer brand that millions north of the Iberian peninsula saw on the same banner.

Only one ad was real. The latter was generated by computer, a "virtual" advertisement created by Symah Vision SA of France.

With companies lured by the prospect of targeting specific regions with their ads and new sources of revenue, virtual marketing executives say the industry could be worth more than \$5 billion in five years.

Already a fixture of sports broadcasts, virtual ads could soon spread to other TV venues.

"Imagine if someone paid to have a virtual soda can on Jay Leno's desk for one year — it's amazing," said Bill Cella, vice president for broadcasts and programming at McCann-Erickson Worldwide, referring to the popular American chat-show host.

In an era when companies can pay \$100,000 or more for a 30-second commercial in the Champions League, Europe's premier soccer club tournament, virtual advertising is a comparative bargain. Buying the ability to create messages or alter billboards for an entire game using virtual marketing can cost about that amount.

Princeton Video Image Inc. says Unilever NV, General Motors Corp. and Nokia Group were among those that used its virtual technology during the Super Bowl this year, which was seen by 800 million viewers worldwide.

For Symah Vision, the ability to place computer-based images in television images was spawned by missile technology being developed by its parent company, Lagardere SCA. The system allows for altering or replacing images either directly from the event location, or they can be "added" in a studio before the images are broadcast.

Not all advertising executives are enthusiastic about virtual ads. While they may help brand awareness, some say, they may not give that much of a lift to a product's sales.

"This is kind of incidental exposure," said Allen Banks, executive media director at Saatchi & Saatchi North America. "It's not a selling message but could have brand recognition value. For a brand as mature as Coke, it's fine as background noise."

WORLD STOCK MARKETS

Thursday, April 8

Prices in local currencies;
In euros for EMU countries.

Telecom

High Low Close Prev.

Amsterdam AEX index 527.62

www.aex.nl

ABN-AMRO 19.46

Angon 19.10

ASML 19.25

Atos 19.25

Alco Nobel 34.75

ASM Lith 45.80

Atos Com 19.00

Baarn 17.50

NASDAQ

Thursday's 4 P.M.
The 1,000 most traded National Market securities
in terms of dollar value, updated twice a year.

NYSE

Thursday's 4 P.M. Close
(Continued)

Month	Low	Stock	Div	Yld	PE	100
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Thursday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.

The 150 most traded stocks of the
up to the closing on Wall Street
The Associated Press

AMEX

Thursday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.

up to the closing on Wall Street
The Associated Press

Rating Systems Fall Short In Gauging Mutual Funds

In Some Cases, 'Best' May Mean 'Least Bad'

By Mark Hulbert
New York Times Service

NEW YORK — When it comes to picking among the thousands of mutual funds out there, investors want a rating system that separates the wheat from the chaff. Unfortunately, the most popular rating services get only half of the equation. They do a good job of pinpointing the chaff of the investing arena, but are not much help in identifying the wheat.

Consider Morningstar, the Chicago financial publisher that provides the most widely used fund-rating system. Morningstar ranks funds on a scale of one to five stars, according to their historical, risk-adjusted performance. While the ratings thus look backward at performance, Morningstar advises that they be used as a first tool — although not the only one — in selecting a fund.

Funds in the bottom 10 percent of their universe receive one star, while those in the top 10 percent receive five. When calculating the stars, Morningstar ranks on the same curve all funds in a particular universe, say domestic equity funds, regardless of their investing style, objectives or holdings.

Yet while one-star funds significantly underperform the market, five-star funds, on average, do not outperform it, according to a recent study.

The study, by Christopher Blake, associate professor of finance at Fordham University's Graduate School of Business, and Matthew Morey, assistant profes-

sor of economics at Fordham, found that one-star funds, on average, trailed the market by a large margin. The average fund that had a one-star rating on Jan. 1, 1993, lagged behind the Standard & Poor's 500-stock index by 8.4 percentage points a year for the five years ending Dec. 31, 1997. (That five-year period was one of many studied, but the results are representative of the findings.)

Unfortunately, at the other end of the spectrum, Morningstar's five-star funds, as a group, do not beat the market, even if they do better than the average one-star fund. For example, the average fund with a five-star rating on Jan. 1, 1993, underperformed the market by 3.8 percentage points for the five years through Dec. 31, 1997.

But that is not the only difficulty in the rankings. According to Mr. Blake and Mr. Morey, the differences between the performances of the average five-, four- and three-star funds are so small as to have little statistical significance.

Even if, any of the other rating services have done better than Morningstar in identifying funds that will outperform.

The Value Line Mutual Fund Survey, created several years ago to compete with Morningstar, also bases its ranking on historical risk-adjusted performance, though it looks at performance over different periods than Morningstar does and defines risk differently. Yet, on average, its highest-ranked equity funds have performed more than one percentage point a year worse than Morningstar's.

Very briefly:

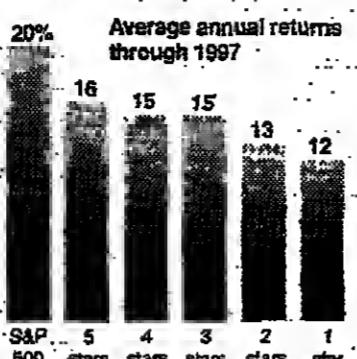
• Citigroup Inc. was the biggest lender to Asian companies and governments, including Australia and New Zealand, during the first three months of the year, with \$1.8 billion of syndicated loans, or 17.3 percent of the \$10.5 billion market. Second place was held by Chase Manhattan Corp. with a 15.5 percent market share, followed by Barclays Capital, which arranged 5.6 percent of all international loans shared by more than one bank.

• Deutsche Bank Securities Inc. cut the amount of cash it holds in a model portfolio devoted to stocks in emerging markets to 2.5 percent from 7.5 percent, less than one month after lowering its cash weighting from 10 percent. The move reflects a brighter outlook due in part to higher prices for oil and other commodities and the likelihood of lower interest rates in many countries.

—Bloomberg

Shooting Stars

Morningstar's three-, four- and five-star categories produced similar returns over a two-year period, according to a study, while the one-star funds lagged behind. All traded on the S&P 500. Five portfolios were created on Jan. 1, 1993, one each for Morningstar's five categories, and each containing all growth-oriented funds with 10-year records and the appropriate star rating on that date.



Source: "Morningstar Ratings & Performance," a working paper by Christopher R. Blake, associate professor of finance at Fordham University's Graduate School of Business, and Matthew Morey, assistant professor of economics at Fordham.

The problem with the popular rating systems is that they do a poor job of distinguishing between adviser skill and mere luck.

Consider how funds have performed over the last five years, a period dominated by large-capitalization stocks and by growth investing instead of value approach. A fund manager whose focus over these years was small-cap value would probably look awful, even if he outperformed the average small-cap value stock. But the manager of a large-cap growth fund could still look good, even if his fund has trailed the average large-cap growth stock. The real measure of an adviser's skill is outperforming a benchmark constructed to match all relevant aspects of his approach.

Morningstar is aware of this criticism and has taken steps toward addressing it. For example, it no longer compares international equity funds with domestic equity funds when awarding stars. But it still puts all domestic equity funds into the same pot, regardless of whether they are large- or small-cap, value or growth.

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WORLD ROUNDUP

Germans March On

TENNIS Boris Becker, playing only his third ATP Tour event this year, reached the quarterfinals of the Hong Kong Open on Thursday by beating Wayne Ferreira, 6-4, 7-6. He was joined in the last eight by his countrymen Nicolas Kiefer, Bernd Karpacher and Hendrik Dremann. (Reuters)

Cameroon Beats England

SOCCER A 64th-minute own goal by England's Richard Cooper put his country on the verge of elimination Thursday as Cameroon won, 1-0, at the World Youth Championship in Kano, Nigeria.

With two victories, Cameroon is assured a place in the next round along with Mexico, which beat Australia, 3-1, on Wednesday for its second victory.

England, which lost its first match to the United States, 1-0, is the only team not to have scored in the 24-nation tournament.

In other matches Thursday, Zambia and Spain played to a scoreless draw, and Uruguay beat South Korea, 1-0. (AP)

• Alen Boksic scored the equalizer Tuesday as visiting Lazio of Rome gained a 1-1 tie with Lokomotiv Moscow in a first-leg semifinal of the Cup Winners' Cup. Lokomotiv grabbed the lead after a quick counterattack in the 61st minute when Zaza Dzhanashia, who leads all scorers in the competition with six goals, beat Lazio goalkeeper Luca Marchegiani in a one-on-one contest. (AP, AFP)



Paolo Negro of Lazio, left, fighting it out Thursday with Zaza Dzhanashia of Lokomotiv Moscow.

For Woods, Rough Start At Masters

A Changed Course Greets Top Golfers at Augusta

The Associated Press

AUGUSTA, Georgia — The changes made to toughen up the course at Augusta National seemed to be paying off Thursday as Tiger Woods made an eight on a hole and many players struggled to make par on the opening day of the Masters.

A trio of 69s by Davis Love, Scott McCarron and Brandel Chamblee, playing in his first Masters, held the lead with about a third of the field finished for the day.

Earlier, Augusta National's new rough caught the ceremonial drive of 97-year-old Gene Sarazen as the 63rd Masters got off to its traditional start. The 1935 Masters winner joined former champions Sam Snead and Byron Nelson on the first tee of a course that had undergone more changes than ever in an effort to harness golf's growing legion of long hitters.

All three of the ceremonial starters found the rough, which was grown three-quarters of an inch (1.9 centimeters) deeper than previous years as part of changes that also included lengthening two holes and adding some pine trees to encourage greater accuracy.

"I did a good job today," said Love, who birdied Nos. 16 and 17. "I'm just trying to stay calm and have some patience."

Patience was what Woods needed after making a triple bogey at the eighth hole. Woods came back to birdie three straight holes on the back nine, however, and was only two shots off the lead with four holes left.

Patience was needed by others in the field, too, as the use of threesomes instead of pairs on the first two days led to long rounds. Defending champion Mark O'Meara, who had a late tee time, took an hour to play three holes as his group continually waited between shots to hit.

David Duval, the hottest player in golf, indicated that he would be pushing to win his first major, making birdies at the second and third holes to go 2-under.

Woods had an up-and-down beginning that saw him par only one of his first six holes but was still 1-under when he ran into trouble at the par-5 eighth. He hit his drive into the trees, put his second shot into an azalea bush and, after taking a penalty drop, took three more shots to get on the green. He then two-putted to



Former Masters champions Byron Nelson, left, Gene Sarazen and Sam Snead acknowledging the crowd Thursday before hitting ceremonial drives to kick off the 1999 tournament in Augusta, Georgia.

an eight. "This is how you lose a tournament," Woods said to the gallery after hitting into the bushes.

Perfect weather greeted the early players, but it got hot quickly despite a breeze blowing through Augusta National's tall pines.

Masters officials reluctantly made their biggest course changes ever this year, fearing that shaved, undulating greens and tight fairways were no longer enough to help a course measuring under 7,000 yards fight off the assault on par.

Not everyone liked them.

"Bob Jones would turn over in his grave," Gary Player said of the changes made to the 17th hole. Player made a double bogey on the second hole, where the tee also had been moved back.

The course still looked much the same, except for the new light layer of rough that lines the expansive fairways.

But things might actually have improved for the big hitters by alterations that included toughening two par-5s and making the Eisenhower tree at No. 17 a potential nightmare for the shorter hitters.

Woods was again a crowd favorite as he teed off in search of a second green jacket. But the oddsmakers favored Duval, who also is long off the tee and is riding a hot streak the likes of which has hardly been seen since Johnny Miller was in his prime in the 1970s.

"I feel like I'm capable of winning," said Duval, who finished second last year when O'Meara sank a 20-foot birdie putt on the final hole.

A field of 96 — bigger than usual because of changes in the selection process — played in the first threesomes since 1962 to try to finish the day in timely fashion. They found a course with the usual slick greens and funny bounces, but also two new tee boxes as well as some strategically placed pine trees.

"They've made some changes, and the course will be tougher," said Fred Couples, who won in 1992 and led on the final day last year before finishing in a tie with Duval for second.

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Juventus and Kiev Suffer Late Equalizers

By Rob Hughes
International Herald Tribune

LONDON — The stings came without a moment to spare in the UEFA Champions League semifinals when big hearts and brave spirits neutralized super play.

Under soccer laws, one and a half hours is the length of a contest, but if the whistle does not blow it is wise to keep

EUROPEAN SOCCER

on running. Bayern Munich twice trailed by two goals, but fought back in Kiev to escape, 3-3, Wednesday.

In England, Ryan Giggs, the Manchester United winger, scored to square the first leg against Juventus, 1-1, two minutes into injury time.

Moral: Run until you drop. Never let your guard down, never give up hope, never presume the mission is accomplished until the referee calls time.

In Kiev, 82,000 fans, almost all Ukrainian, were raised to rapture then reduced to silence as Dynamo, inspired again by Andrei Shevchenko, scored three but conceded three to Germans who, as sporting history teaches, never know when they are beaten.

Lothar Matthaeus, a Munich defender in his 20th European season, was embarrassed by the early pace yet was still standing beneath the posts to prevent a fourth Kiev goal, still pushing forward at the end in search of a winner.

"Mistakes certainly paid a big role in Kiev's goals," Matthaeus said. "But we deserved fighting spirit and we are very happy with the result."

Valeri Lobanovsky, the Dynamo trainer who resembles Nikita Khrushchev, said nothing for a long time. His march to the dressing room suggested his "boys" would be the first to hear his wrath before he emerged to say: "We made defensive errors late in the game. But it's not over. If we were able to score three times here, we could do it again in Munich."

Possibly they can. Shevchenko's first goal was poetic and potent. He glided into space for Valentyn Belikov to strike a slide-rule pass he turned, shot, scored in a seamless motion. There were looks between Matthaeus, the sweeper, and Markus Babbel, the marker. Shevchenko had invaded their territory without either getting close.

Goal 2 might also be claimed by Shevchenko. It is a moot point whether his free kick was deflected, marginally if at all, by Kakha Kaladze. When Munich

hit back, with the last kick of the first half, that too involved a hint of deflection, by Carsten Jancker, of Michael Tarnat's 35-yard free kick.

Yet another free kick, in the 78th minute by Stefan Effenberg, baffled keeper Oleksandr Shovkovsky, curling through the air inside his near post.

Between those goals, Vitali Kossovsky restored Kiev's lead with an easy 7-yard volley after Samuel Kuffour miskicked a clearance. Kossovsky fluffed a chance to score again before Munich's final goal, claimed by the brute force and perseverance of Jancker.

The Kiev players had tired on their own, heavy pitch. Munich, strong in mind and stronger in body, believes now that the psychological advantage is with it. April 21 will tell.

A third as many goals, a mere 54,487 crowd, but a similar pattern in Manchester. Juventus, written off as aging and ailing, gave Manchester United a lesson for 45 minutes. Italian technique was sharper, quicker, more inventive.

"The English were very sure of themselves before the match," said Antonio Conte, the Juve skipper. "But we disarmed them. On a technical and tactical level our superiority was obvious."

It was Conte, sprinting onto a marvellous, angled pass from Edgar Davids, who scored midway through the first half. Juventus should have added two more, such was the gulf. Zinedine Zidane had his right knee smothered in bandage, but his was the freest mind, the finest technique. He floated into spaces United did not seem to know existed. Davids, Didier Deschamps and Angelo Di Livio ran for him. Filippo Inzaghi made elusive runs. United could not get the ball.

Until the second half, when Juventus relaxed and landed through sheer desperation. David Beckham, Manchester's golden boy, had bad a rough game, smothered by the industry of Di Livio. Then, in the 92nd minute, Beckham scooped the ball forward, goalie Angelo Peruzzi missed it, and Ryan Giggs scored the 75th goal of his Manchester United career.

A lifeline, or too little too late? Once again, April 21 will decide. Until then, lovers of soccer must hope that Juventus did not take too much risk with Zidane. To jeopardize one great talent, Ronaldo, as Brazil and Inter Milan did, is unfortunate; to damage a second would be careless to the point of negligence.

Rob Hughes is chief sports writer of The Times of London.

Sugges Hit
pydirt With
road Victory
ker Grizzlies

Bruin
New York

SPORTS

Nuggets Hit Paydirt With Road Victory Over Grizzlies

The Associated Press

For more than a year — 385 days, to be exact — the Denver Nuggets had left the court feeling blue whenever they were wearing blue. Try as they might, they just couldn't win a road game.

"It's like we won a playoff series or something," Chauncey Billups said after the Nuggets ended their 24-game

NBA ROUNDUP

road losing streak with an 87-84 victory over the Vancouver Grizzlies.

"Everybody was going wild, jumping and high-fiving. It's just a relief."

Billups hit a 3-point shot from near midcourt with two minutes left, and Nick Van Exel scored 11 of his 21 points in the fourth quarter, including Denver's final four.

Hornets 106, Knicks 82 New York quickly fell behind by 20 points in Charlotte and never recovered in one of their worst performances of the season.

"It's too hard to single anybody out tonight. I'm disappointed in myself and the team," the coach, Jeff Van Gundy, said of his team's third straight loss.

Lakers 104, Kings 89 Shaquille O'Neal had 30 points and 18 rebounds; Derek Fisher scored 19 points; Kobe Bryant added 18, and Glen Rice 15 for the Lakers, who won in Sacramento.

Heat 93, Mavericks 87 Miami withstood a fast start by visiting Dallas, and held the Mavericks to 35 percent shooting in the middle two periods and then stayed off late rally.

Pistons 89, Hawks 82 Grant Hill scored 15 of his 30 points in the fourth quarter as the Pistons beat Atlanta in Detroit.

Suns 90, Timberwolves 82 Cliff Robinson had 27 points, five steals and five blocked shots and did a superb job defensively on Kevin Garnett to help Phoenix end visiting Minnesota's four-game winning streak.

Bucks 99, Cavaliers 81 Glenn Robinson scored a season-high 33 points, including 15 in the fourth quarter, as the Brewers beat Cleveland in Milwaukee.

76ers 96, Nets 92 Matt Geiger scored six straight fourth-quarter points to help Philadelphia win in New Jersey despite a bad second half by Allen Iverson. Iverson led the Sixers with 23 points, but was only 1-of-10 in the second half, with five missed free throws.

Celtics 108, Wizards 87 Bill Russell made a rare appearance in Boston to watch his former team, the Celtics, dominate as it did when he was playing.

Pacers 81, Bulls 74 Indiana had six players in double figures as they beat the Hornets in Chicago.

DENNIS THE MENACE

Scott Pellerin of St. Louis watching Steve Poapst of Washington follow the puck into its empty net after he attempted to stop it from going in.

Bruins Gain Playoff Spot

New York and Washington Out of the Running

The Associated Press

The Boston Bruins put themselves in the playoffs, eliminating the New York Rangers and pushing the Florida Panthers to the brink in the process.

The Bruins claimed one of the last postural berths in the Eastern Conference by beating the Panthers, 5-2, Wednesday

NHL ROUNDUP

night. At the same time, they knocked the idle Rangers out of the playoffs for the second straight season.

That left only one playoff spot for the Eastern Conference, and only a collapse could prevent the Carolina Hurricanes from grabbing it. Despite a loss Wednesday at Montreal, the Hurricanes still hold a comfortable eight-point lead over the Panthers in the Southeast Division.

To overtake the Hurricanes for the division title, the Panthers would have to win all five of their games with the Hurricanes losing their final four.

The Washington Capitals lost to the St. Louis Blues and were eliminated.

Aanson Carter broke a 1-1 tie with his first goal of the night, and added two more for his first career hat trick as the Bruins gained the victory they needed.

Dmitri Khristich's 29th goal padded Boston's lead to 3-1 after two periods.

Carter wrapped up Boston's seventh victory in 11 games when he scored on a rebound at 10:06 of the third.

Canadiens 2, Hurricanes 0 Jose Theodore made 27 saves to earn his first career shutout as the Canadiens beat the Hurricanes. Scott Thornton and Martin

Rucinsky both scored as Montreal won its first game since being eliminated from the playoffs Monday night.

Red Wings 6, Canucks 1 Detroit clinched the Central Division title and extended its winning streak to eight, as Steve Yzerman had two goals and an assist against visiting Vancouver. Detroit secured at least a No. 3 seed in the playoffs, which begin in two weeks.

Stars 5, Mighty Ducks 1 Brett Hull scored his 30th and 31st goals, and Mike Keane broke a 34-game goalless drought as the Stars beat Anaheim in Dallas.

Avalanche 4, Predators 1 Peter Forsberg scored his fourth goal in three games, as the Avalanche extended their unbeaten streak to eight with a victory over visiting Nashville.

Oilers 4, Flames 2 Tom Poti scored with 45 seconds left in the third period, as Edmonton pushed its provincial rival out of the eighth playoff spot in the Western Conference. René Murray added an empty-netter to seal the victory as host Edmonton moved ahead of Calgary by one point in the race for the final playoff berth in the West. The two teams meet twice more this season. Both have five games remaining.

Giants 6, Reds 3 After being no-hit for

Griffey Homer Powers Mariners

The Associated Press

With Alex Rodriguez sidelined by a knee injury and Seattle off to an 0-2 start, the Mariners needed a lift. As usual, Ken Griffey provided it.

Griffey went 4 for 4, including his second homer of the season, to lead the

AL ROUNDUP

Mariners to a 7-3 victory over the Chicago White Sox on Wednesday night.

"Junior was just being Junior," said Lou Piniella, the Mariners' manager. "He hit the ball out in the first inning and scratched out a couple more hits."

As well as Griffey plays though, Seattle's success will be dependent as much on its shaky pitching staff as its powerful lineup.

The Mariners, who allowed 19 runs in the first two losses to the weak-hitting White Sox, will need more starts like the ones they got from rookie Freddy Garcia.

Garcia, who joined the Mariners from Houston as part of the Randy Johnson trade last July, allowed seven hits and two runs in nearly six innings to win his major league debut.

Carlos Guillen, who also went to Seattle in the Johnson deal, added a run-scoring single and solid defense while filling in for Rodriguez at shortstop. Guillen started the season at second base, and his position will be filled by David Bell.

Griffey put the Mariners on the scoreboard with his homer in the first inning

He added a single in the third, a run-scoring single in the fourth and a single in the eighth. He also walked in the sixth.

Devil Rays 8, Orioles 5 Cal Ripken missed a game because of injury for the first time since 1982.

Ripken, who left Baltimore's season opener Monday in the third inning with stiffness in his lower back, watched the loss to Tampa Bay in Baltimore from the dugout while Willis Otanez took over at third base.

Otanez hit his first major league homer and a double.

"I could beat my head against the wall and go do it today, but it doesn't make sense," Ripken said. "We're going to just work toward being ready tomorrow."

Last Sept. 20, Ripken voluntarily ended his record streak of playing in 2,632 games by sitting out the Orioles' final home game against the New York Yankees.

Dave Martinez homered and drove in four runs for the Devil Rays.

Yankees 4, Athletics 1 Ramiro Mendoza, whose first start of the season had become a source of friction between George Steinbrenner, the Yankees' owner, and Don Zimmer, the manager, pitched eight shutout innings, giving up five hits and not allowing a runner to reach second base as the Yankees won in Oakland.

Hideki Irabu, dropped from the rotation by Steinbrenner last Thursday after he failed to cover first base twice in

one week in spring training, pitched a perfect ninth. Zimmer announced Friday that Mendoza would start and then stuck to his decision when Steinbrenner changed his position Saturday and said Irabu should start.

Chad Curtis homered for the second straight game for the Yankees.

Red Sox 6, Royals 0 Bret Saberhagen pitched six scoreless innings, and Jose Offerman got two hits and scored twice as Boston won in Kansas City.

Saberhagen, who won 110 games and two Cy Young awards with Kansas City from 1984 to 1991, gave up just three singles.

Offerman, who left Kansas City to sign with the Red Sox in the offseason, doubled in the third and scored Boston's first run.

Rangers 10, Tigers 7 Rafael Palmeiro homered for the first time since returned to Texas, helping make Mike Morgan a winner for his 10th team, a record. Juan Gonzalez, Todd Zeile and Lee Stevens each had three of the Rangers' 18 hits as Texas won at home.

Indians 9, Angels 1 Dave Burba struck out 10 and allowed just three hits in six innings, and Omar Vizquel drove in four runs as Cleveland won in Anaheim.

Blue Jays 9, Twins 3 David Wells gave up three runs on seven hits in six innings but he gained a victory in his first start of the season for Toronto. Carlos Delgado, Tony Fernandez and Shannon Stewart all homered as the Blue Jays won in Minneapolis.

Henderson, 40, Still Has What It Takes

The Associated Press

At the age of 40, Rickey Henderson can still play.

He hit two homers and two doubles while scoring four times to lead the New York Mets over the Florida Marlins, 6-0, Wednesday night.

"I've still got pop in the bat," said Henderson, who struggled in spring

NL ROUNDUP

training after being acquired by the Mets in the offseason. "I knew my bat speed was still there."

Henderson walked in the first, then led off the third with a homer to center field. He doubled and scored in the fifth, doubled and scored in the seventh and homered in the eighth.

Henderson, who had his first home game since 1993, improved his batting average to .545 (6 for 11) and his on-base percentage to .643 (9 for 14) in three games.

Henderson, whose 1,298 steals are the most in major league history, was picked off first base in the first inning by Jesus Sanchez. But he got revenge in the fifth when, after doubling, he rattled Sanchez into a balk and scored on a sacrifice fly.

Giants 6, Reds 3 After being no-hit for

six innings by Steve Avery, San Francisco scored seven runs in the eighth to complete a three-game sweep in Cincinnati.

Avery didn't give up a hit until Jeff Kent's leadoff single in the seventh. Avery got the first two outs in the eighth before giving up a walk and Stan Javier's first right-handed homer since 1997.

Greg Vaughn, who hit 50 homers for San Diego last season, homered for the Reds.

Expos 4, Pirates 3 Chris Widger's ninth-inning grounder against a drawn-in infield drive in the go-ahead run as Montreal won in Pittsburgh.

Shane Andrews doubled to start the ninth. After a walk, the runners moved up on a grounder. Andrews scored the go-ahead run from third when shortstop Ahranah Nunez threw late to the plate on Widger's grounder.

Cardinals 4, Brewers 1 Fernando Tatís hit a two-run homer, his second in as many games, as the Cardinals beat Milwaukee in St. Louis.

Mark McGwire, who homered in the Cards' opening night loss, went 2 for 3 with a walk. His run-scoring double broke a 1-1 tie in the sixth.

Cubs 9, Astros 2 Sammy Sosa got his first hit of the season, and Glenallen Hill drove in four runs, two of them with a

hommer, as Chicago won in Houston.

Sosa, who went 0 for 4 and struck out three times Tuesday, went 1 for 3 with three walks and a run-scoring double in the third inning. Hill followed with a two-run single.

Braves 4, Phillies 0 John Smoltz allowed four hits in seven innings and retired the last 13 Philadelphia batters he faced in Atlanta.

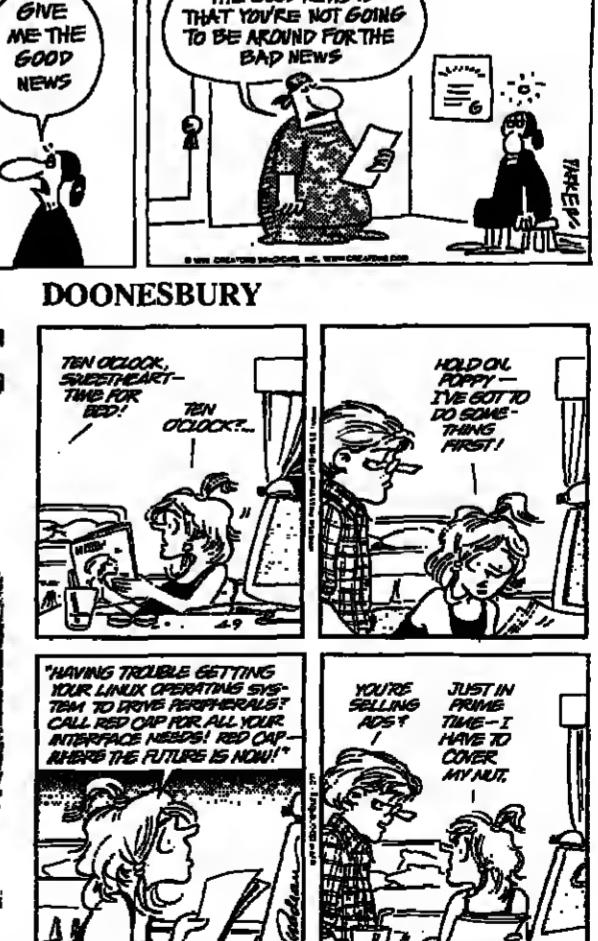
He struck out eight and did not allow a runner past second base before leaving for a pinch-hitter.

Padres 2, Rockies 1 Jim Leyritz, who hit four homers for San Diego in the playoffs last year, hit his first of the season leading off the ninth of the ninth.

Leyritz, pinch-hitting for John Vander Wal, drove a 1-1 pitch from the left-field seats in San Diego. The hommer gave Roberto Rivera his first big league victory.

Dodgers 6, Diamondbacks 4 Raul Mondesi hit his third hommer, and Ismael Valdes pitched 7½ strong innings as the Dodgers completed a three-game sweep of Arizona in Los Angeles.

Luis Gonzalez hit two homers for Arizona, and Matt Williams had one, giving the Diamondbacks eight in their first three games.

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POSTCARD

*Cat Evictions in Venice*By Alessandra Stanley
New York Times Service

VENICE — Rich tourists flock to the island of Giudecca, site of the Cipriani Hotel. Homeless cats take up residence on San Clemente, a lush island nearby on the lagoon. The cat shelter menu is not as varied as the hotel's, but feline guests are served fresh pasta with kidney sauce every day by devoted volunteers from the animal rights organization Dingo.

And those volunteers are not happy about the city's plans to evict San Clemente's 250 sick or stray cats and relocate them to a smaller, damper strip of land on the Lido. Neither, for that matter, are the elected leaders of the neighborhood where the cats are tentatively destined.

San Clemente, which was sold at auction in February to a real-estate development consortium, is Venice's latest attempt to brighten its economic prospects. But as with almost all such efforts, planning for the future keeps getting tangled up in the past. The dispute, moreover, is covered by a thick fog of bureaucratic confusion and mistrust over what exactly is the plan for San Clemente and its cats.

It can get ugly. One local Lido official complained that his political opponents were spreading a rumor that the cats had AIDS to prevent their transfer there. (Some do have the feline immunodeficiency virus, which is not transferable to humans.)

Ten years ago, Dingo persuaded the city to open a cat clinic and sanctuary on San Clemente, an ancient pilgrimage site that in the 19th century served as an insane asylum and was finally closed down in 1992. Imposing 19th-century buildings are still intact, as is an exquisite Baroque church, though it was stripped of its most precious art works by thieves in 1992, when the island was uninhabited and unguarded.

Now, a guard and three watchdogs keep strangers away. Sick cats are tended in a clinic inside one of the abandoned buildings. Healthier

cats live outdoors in the rambling, ivy-covered garden, sleeping in wooden sheds and playing in large cages set amid chestnut trees.

Cats in Venice have reason to be trusting.威尼斯人 believe cats saved the city from the devastating plague of 1348 by killing diseased rats, and so treat them with deference. (There were some lapses, notably during World War II, when cats were eaten.)

Three years ago, more than 12,000 stray cats roamed the streets, and many were sick and starving. In 1964, an English tourist, Helena Sanders, was so appalled that she and Venetian cat lovers formed Dingo, which now maintains several cat colonies in Venice. Venice was the first Italian city to pass an animal rights act, in 1987 (one was adopted nationally in 1991), and it guarantees stray cats an area to live in freedom. The city provides money for food, and caters to the powerful animal lovers lobby. At City Hall, the mayor has a special adviser on animals, Andreina Corso. She is an unapologetic advocate who describes Venice as too anthropocentric.

But Compagnia Finanziaria di Investimento, the real-estate consortium that includes the clothing manufacturer Benetton, bought San Clemente for \$11 million and expects to spend \$40 million in restorations before selling it as a 300-room luxury hotel and conference center.

Cats are not part of the package. "I love cats, but 200 is too many," said Aldo Muzzoco, a director of the real-estate consortium. "Our deal was that the city would take them away."

That was supposed to happen in December, but the deadline expired as威尼斯人 debated. Sandro Cicogna, president of the neighborhood association of Malmocco, on the Lido, said he had agreed to accept the cat shelter temporarily, and only on the condition that the city also build a soccer field and a small park near the site.

"Maybe I'm being duped," he said. "But how can we resolve this? Kill the cats?"

\$100 a Ticket?! Backstage on Broadway

By Jesse McKinley
New York Times Service

NEW YORK — Every time the producers of "The Iceman Cometh" want to have a light bulb changed, they need to use a three-man crew, each member earning \$43.36 an hour. To fashion the three women's wigs they needed, the producers paid \$2,250, saving at least \$750 each by having molds made of the actresses' heads and having the hairpieces made in England. And \$3,000 went for dirtying up some of the show's rented costumes to make them more appropriate to the Bowery-like mise-en-scène.

Such are some of the more arcane expenses behind Broadway's only \$100 ticket, for orchestra seats to the latest production of Eugene O'Neill's barroom epic, which was transplanted from London and stars Kevin Spacey. "Iceman" is only the third show in Broadway history to cost \$100 a seat; the two-part "Nicholas Nickleby" did so in 1981, as did "Miss Saigon" a decade later. But some Broadway veterans suspect it is a harbinger.

Producers say the price increases are justified by rising production expenses, costs



Kevin Spacey, left, and Paul Giannetti in "The Iceman Cometh."

(\$140,000) for Tony voters and about 300 for the press (\$30,000), and the final profit for a sellout will be roughly \$1.5 million. "A million-dollar profit, maybe, on a \$1.5 million risk, is not excessive," Azenberg said.

But "Iceman" also presents unique challenges for producer. The first is its large cast: 19 actors and seven understudies. Then there is its length, four and a quarter hours, which means overtime for backstage employees and only seven shows a week. (The Broadway standard is eight.) Finally the limited run — 13 weeks, the term of Spacey's commitment — leaves a small window for producers to earn back their \$1.5 million and make a profit.

"The play has a giant cast, it's in overtime from the get-go and we're only doing seven performances a week," Azenberg said. "You charge any less, you're suicidal." Still, the show had few of the gigantic costs that typically drive up expenses of blockbuster musicals. It has only one set, no orchestra or pyrotechnics.

The producers and their general manager, Abbie Strassler, have scrimped and bargained to cut costs. They bought a dishwasher for \$600 to eliminate hand-washing

— and possible overtime. Costumes were

rented in England to avoid an international duty on their purchase. And Azenberg's negotiating mantra for actors and designers was, "Everybody works for minimum." Indeed, the \$1.5 million capitalization is remarkably low for a play of this size.

Azenberg, who has been producing on Broadway for more than 30 years, said he knew sitting in the audience at the Almeida Theatre in London last May how much it would cost to move it to Broadway. "You can do the math in about five minutes," he said.

Strassler, who oversees costs, did similar calculations. The show has four union stagehands, each earning a weekly base of \$1,234.58 plus two hours of straight time pay a day because of the show's length and for preshow prep work. But Strassler said the weekly total for one backstage worker is \$3,575, including base pay, overtime, benefits, a supervision fee stipulated by the union and a 17 percent payroll tax. There were other sacrifices for the art. To accommodate the set, designed by Bob Crowley, 59 of the \$100 seats were eliminated from the front rows.

The first thing Azenberg did when committing to the show was to ask Spacey to work for \$1,135 a week, the minimum allowed by Actors' Equity, the actors' union. He agreed, if all goes well, some money is returned. The unions for the stagehands, actors and press agents each ask for bonds and deposits in the event that their producers can't pay their members fees. For "Iceman," that means \$82,250 is frozen. "As a veteran of this, I'm always grateful getting some money back," Azenberg said.

PEOPLE

THE writer Michael Cunningham has won the \$15,000 PEN/Faulkner Award for his novel "The Hours." Cunningham's third novel is set in New York and tells a complex story based on Virginia Woolf's novel "Mrs. Dalloway." The prize is the largest awarded by a jury in the United States for fiction. Past winners include Philip Roth, T. C. Boyle, E. L. Doctorow, DeLillo and Richard Ford.

Paul Newman is giving \$250,000 to Catholic Relief Services to assist refugees and others suffering in the Balkan crisis. "It is our hope that by giving this donation to the Kosovo refugees, we will set an example that other corporations will follow to alleviate the plight of these unfortunate people," the actor said in a statement.

Kim Dae Jung, a political dissident in South Korea who survived imprisonment and assassination attempts to become his country's president, has been awarded the Philadelphia Liberty Medal. He will accept the \$100,000 prize at Independence Hall during the city's Fourth of July celebration.

The Puerto Rican rap singer William Jorge Brewley was arrested Wednesday for possession of heroin as he tried to board an airplane in Caracas, Venezuela, for Miami. The authorities said Brewley, also known as the "Godfather of Rap," had 3 kilograms (6.6 pounds) of heroin hidden in plastic bags in the soles of his sneakers, which had false bottoms. Colonel Manuel Verde Acosta of the National Guard's anti-drug unit said agents decided to search Brewley because he looked nervous while trying to board.

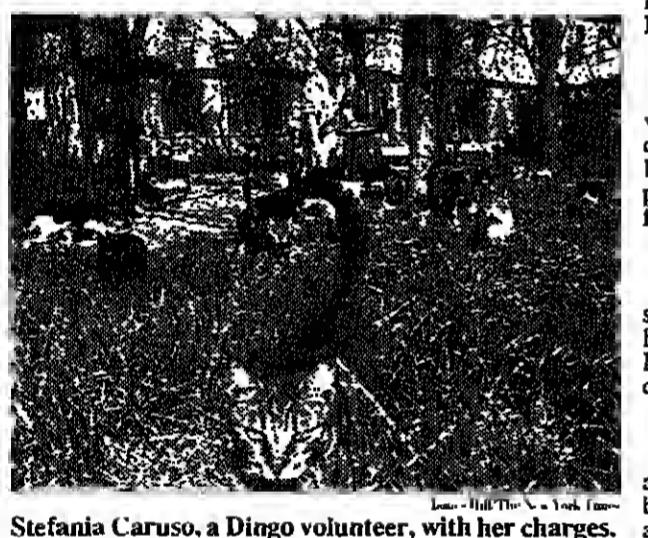
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Sarah Ferguson, the Duchess of York, is to be the spokeswoman in the United States for the Wedgwood pottery and china firm, the Sun tabloid reported Thursday. The duchess said she has insisted she will represent the firm only in the United States and not in Britain because she does not want to upset the royal family.

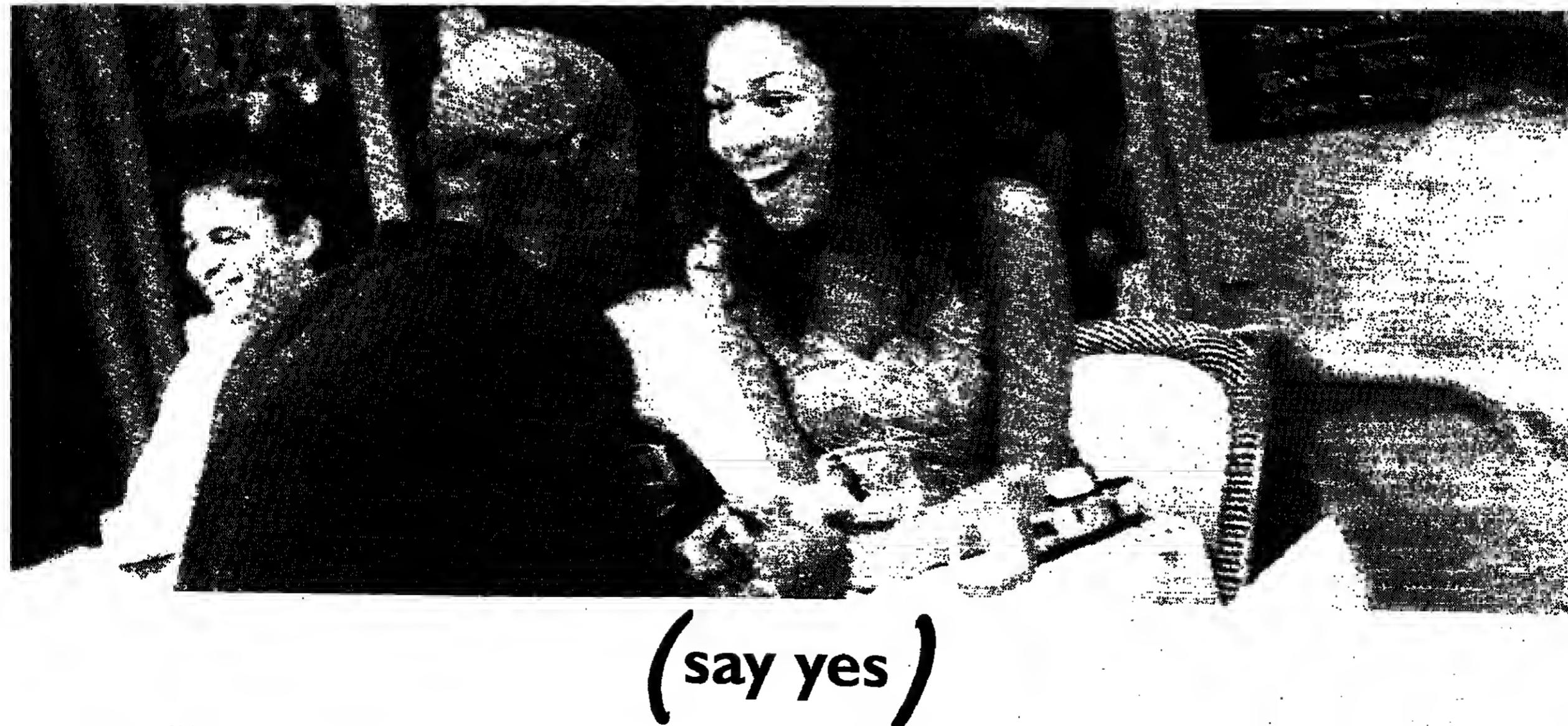
A daredevil arrested last week for jumping off New York's tallest building has sued a tabloid television show for refusing to pay for his stunts and turning him in to the police. Thor Axel Kappfjell of Norway, who has pleaded guilty to a charge of reckless endangerment, is seeking \$2.25 million from the television show "Extra" for alleged breach of contract. Kappfjell charged that Barry Levine, editor of "Extra," was to pay him an undisclosed sum for a videotape of him parachuting off the World Trade Center on March 26. But, the lawsuit claims, Levine arranged for the police to arrest Kappfjell so a crew could film it. After the arrest, the suit alleges, a friend of Kappfjell's called Levine for the \$7,500 so the Norwegian could make bail and the editor replied, "I do not pay criminals."



SCALPERS — Andie McDowell and Andy Garcia at the Madrid premiere of their movie "Just the Ticket."



Stefania Caruso, a Dingo volunteer, with her charges.



(say yes)

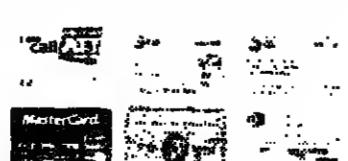
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